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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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CIS Assembly Opens in St. Petersburg

LD2910163394 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] The CIS Interparliamentary Assembly, which opened in St. Petersburg on Saturday, has over 20 issues on its agenda.

As the chairman of the Assembly, Vladimir Shumeyko, told journalists, the Assembly's council decided to discuss issues connected with the Commonwealth's peacekeeping forces, the ways to create unified legislation that would ensure social guarantees for the Great Patriotic War veterans, and a number of financial questions.

The council decided to form two more peace-keeping contingents. One of them, led by the chairman of the Federation Council's committee for CIS affairs Vadim Gustov, will deal with relations between Georgia and Abkhazia. The other contingent will concern itself, at the request of the Speaker of Moldova's parliament Petr Luchinskiy, with Moldova's internal problems. It will be led by the Deputy Chairman of Russia's Federation Council, Valerian Viktorov.

Earlier the CIS Interparliamentary Assembly formed a peace-keeping group for Nagorny Karabakh [Nagorno-Karabakh] led by the Speaker of Kyrgyzstan's parliament Medetkan Sherimkulov.

Saturday morning authorized parliament representatives from Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Moldova and Russia, as well as observers from Ukraine, gathered in the Tavricheskiy Palace.

When they discussed the agenda, disputes were caused only by the issue of an appeal concerning the inadmissibility of blockades against CIS countries. The Azeri delegation insisted that this issue should be excluded from the agenda, but the representatives of other CIS countries did not support it.

Assembly Rejects Draft on CIS Blockade

LD2910140694 Moscow Radio Rossii Network in Russian 0900 GMT 29 Oct 94

[FBIS Translated Text] A draft agreement on the impermissibility of a blockade vis a vis the Commonwealth states, proposed by Russia, has not met with the unanimous approval of the heads of parliaments of the CIS countries—journalists were told this by Vladimir Shumeyko, chairman of the CIS Interparliamentary Assembly, when he commented on the results of the sitting of the Council of the Interparliamentary Assembly of Commonwealth countries, which ended in St. Petersburg late last night.

Vladimir Shumeyko recalled that this matter has been raised already more than once within the framework of the Assembly, in particular in connection with the Karabakh crisis. Nevertheless, Vladimir Shumeyko is confident that in the end, such an agreement will be approved.

Legislators Draw Up Social Rights Charter

LD2910144994 Moscow ITAR-TASS in English 1425 GMT 29 Oct 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] St. Petersburg October 29 TASS—Participants in a session of the CIS Interparliamentary Assembly approved a charter on social rights and guarantees for citizens of independent states on Saturday.

The document will be submitted to the parliaments of the Commonwealth's member states for them to decide on acceding to the charter.

The charter is based on principles propounded by the universal declaration on human rights, social pacts and other documents of the United Nations, the International Labour Organization (ILO) and other internationally recognized standard legal requirements.

According to the charter, the independent states recognize that "the ILO conventions, which were earlier ratified by the USSR, are obligatory for them, and declare their allegiance to the fundamental principles of (ILO's) activities and, first of all, the principle of social partnership".

The equality of social rights of citizens of all states, irrespective of their racial and national origins, sex, age, religious and political convictions, the period during which they lived on the territory of respective country, their language or any other characteristics is the fundamental principle, the charter reads.

According to the charter, its provisions should be treated as the essential minimum for all states.

Assembly Adopts Resolution on Military Observers

LD2910155794 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] At its Saturday's session in St. Petersburg the CIS Interparliamentary Assembly adopted a resolution concerning a group of military observers and collective forces for keeping peace in the Commonwealth.

Interfax's correspondent reports that the Assembly decided to form two more groups of military observers. The first group - for Georgia and Abkhazia - will be led by the Chairman of the Federation Council's committee for CIS affairs, Vadim Gustov, and the other - for Trans-Dniestria [Dniester] - by the Deputy Chairman of Russia's Federation Council, Valerian Viktorov.

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The Assembly adopted its resolution on the collective forces for keeping peace in the CIS with difficulty, since the Azeri delegation had declared that it had no right to vote for the document without its ratification by the Azeri parliament.

Nevertheless, even without the participation of the parliamentary delegation from Azerbaijan, the Assembly decided that peace-keeping operations in the CIS countries can be carried out upon their endorsement by the Council of the CIS Heads of State. When necessary the Council will notify the U.N. security Council and request its mandate for launching peace-keeping operations.

Assembly Urges Integration Measures

LD2910160094 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] At its Saturday's session in St. Petersburg the Interparliamentary Assembly [IPA] recommended that the parliaments of CIS countries should step up the planning of measures conducive to creating conditions for the implementation of guidelines for integration within the CIS.

The Assembly also adopted the first part of a model civic code for the Commonwealth members as a recommendatory legislative act. The document was sent to the parliaments of member states to be used when working out national legislations.

Besides, the Assembly adopted several other documents designed to help CIS parliaments in drafting their own laws in the area of local self-rule and social rights.

Shumeyko Addresses Assembly

LD2910192394 Moscow ITAR-TASS in English 1907 GMT 29 Oct 94

[FBIS Transcribed Text] Moscow October 29 TASS—The fifth plenary session of the Inter-Parliamentary Assembly (IPA) of the Commonwealth of Independent States (CIS) countries was held in St. Petersburg on Saturday.

The session was attended by parliamentary delegations from Azerbaijan, Armenia, Byelorussia [Belarus], Georgia, Kazakhstan, the Russian Federation, and Tajikistan. A Ukrainian delegation attended the session as observers. Uzbekistan did not send a delegation. Observers from Turkmenistan were absent as well.

Integrational development has entered a phase of concrete decisions on the basis of a stage-by-stage formation of an economic union, Vladimir Shumeyko, chairman of the IPA Council and leader of the Russian delegation, said in his remarks at the session.

Shumeyko believes that a legal basis is essential for a successful development of the integration process. He described it as the main task of CIS parliaments "to furnish a comprehensively elaborated legal basis for the formation of an economic union and to work more actively to bring national legislations closer together and coordinate law-making activities in order to promote the establishment of a common legal space in future".

The session approved a charter of social rights and guarantees of citizens of independent states. The charter, which is based on the principles of the universal declaration of human rights, social covenants, and other documents of the United Nations, the International Labour Organisation and other international-legal norms, will be referred to the parliaments of CIS countries for them to consider the question of joining it.

The CIS should have a substantial representation during preparations for the celebration of the United Nations' 50th jubilee, which is to be marked next year, said Michael Marshall, ex-president of the Inter-Parliamentary Union and member of the British Parliament, who attended the session.

Mr Marshall believes that the jubilee celebrations should be attended by a widely-representative delegation of the CIS Inter-Parliamentary Assembly.

On a suggestion from Vladimir Shumeyko, an item concerning the inadmissibility of a blockade against CIS countries was removed from the session agenda. Despite objections from the Armenian delegation, the delegates of other CIS countries considered this question non-topical, since the leaders of CIS countries, in Moscow on October 21, adopted a number of important documents, which soften economic and political relationships between CIS countries.

The IPA session was held "in an atmosphere of accord, mutual understanding and constructive exchange of views," a final communique emphasised.

There are no large or small countries in inter-state relations, Shumeyko told a press conference. All IPA members are equal, so the the consensus principle in making decisions should be preserved, he said. The leader of the IPA Council said a model legislation on cis citizenship would be drafted without fail.

In response to a question about the ensurance of a common information space of CIS, Shumeyko told ITAR-TASS that the IPA Council considered a proposal made by ITAR-TASS director-general Vitaliy Ignatenko to establish a council of the directors of news agancies.

"We referred the proposal to committees and we shall set up such a council after a thorough deliberation. Everyone is worried that the common information space is breaking up. Such a state of affairs must be rectified," Shumeyko said.

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Suggests Basing Committee in St. Petersburg

LD2910154794 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] Russian Federation Council Chairman Vladimir Shumeyko, chairing the CIS Interparliamentary Assembly, has called for headquartering the Interstate Economic Committee in St. Petersburg.

Talking to newsmen in St. Petersburg where he arrived for a regular assembly session, he suggested that many CIS participants would disapprove Moscow as a possible venue for the CIS economic body since it would "remind them of Russia's imperial ambitions." As for St. Petersburg, "it is really a second significant city in the Commonwealth and remains a window into Europe." "We are going to follow Peter's way," Shumeyko remarked.

As the CIS Interparliamentary Assembly is seated at the Tavricheskiy Palace, the St. Petersburg Mayor's Office is reported to have decided to build an international center with hotels and offices for CIS representatives near the palace.

Says Democratic Reform Depends on Integration

LD2910115794 Moscow ITAR-TASS in English 1042 GMT 29 Oct 94

[By ITAR-TASS special correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] St. Petersburg October 29 TASS - "Time and new circumstances serve for us, because they produce an increased awareness of the fact that (our prevalence) over the economic crisis and the fate of democratic reforms in the CIS member states depend on the results of integration," said Vladimir Shumeyko, chairman of the Council of the CIS Interparliamentary Assembly, when addressing the latter's fifth session here on Saturday.

The integration has reached the stage of concrete decisions based on stage-by-stage shaping of an economic union, Shumeyko pointed out.

Heads of CIS member states passed a memorandum on main guidelines for integration at their recent summit. To encourage the integration, it is necessary to work out its legislative basis, he said.

The way Shumeyko sees it, the main task of parliaments of the CIS member states consists in "working out a thoroughly considered legislative basis for shaping the economic union. intensifying efforts aimed at drawing the national legislations closer together, coordinating (parliaments') law-making activities for the purpose of forming a unified law-governed space".

We should propose to the CIS heads of state to adopt a convention on the CIS Interparliamentary Assembly, which would enhance its legitimateness both on interstate and interparliamentary levels and correspond to the international practice of parliamentary organizations, he said.

The final documents adopted at the Moscow summit of the CIS heads of state this month "expanded the horizons for coordinating the law-making activities", in particular, as far as entrepreneurial activities, taxation and investments are concerned. Shumeyko described the models of a civic code and a criminal-procedural code as major contributions toward the integration.

The peace-making function of the assembly is ever growing in importance, Shumeyko said.

The tangible result of such efforts may be seen in the Bishkek Protocol, which brought about cessation of hostilities in Nagorno-Karabakh last spring, he recalled.

The Council of the CIS Interparliamentary Assembly formed a peace-making peacemaking task force to tackle the Georgian-Abkhazian crisis at its session late in the evening on Friday. Another peacemaking task force, which is to tackle the crisis in the Dniester region, will soon be formed.

In conclusion, the chairman of the upper house of the Russian parliament thanked Azerbaijan, Turkmenistan, Kazakhstan and Uzbekistan for the support they gave to the inhabitants of the Sakhalin region who suffered badly from recent natural disasters.

Argues CIS Court Not Necessary

LD3010182994 Moscow INTERFAX in English 1702 GMT 30 Oct 94

[FBIS Transcribed Text] Chairman of the Federation Council, chairman of the CIS Interparliamentary Assembly, Vladimir Shumeyko, believes that the Commonwealth of Independent States does not need a single court.

Answering the question put by Interfax he told the news conference in St Petersburg on Saturday that the only thing to be discussed is the economic court of arbitration within the CIS framework.

Shumeyko said that the CIS countries are trying to draw closer their legislation systems and as soon as this is achieved court decisions of CIS member-states will be similar.

Meanwhile, chairman of the Belarusian parliament, Mechyslaw Hryb, said that the economic court of arbitration had been created in Minsk. It will resolve financial disagreements between CIS member-states.

Shumeyko Meets CSCE Leaders

LD2810144794 Moscow ITAR-TASS in English 1247 GMT 28 Oct 94

[By ITAR-TASS correspondent Lev Rumyantsev]

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[FBIS Transcribed Text] St. Petersburg October 28 TASS—A meeting between Vladimir Shumeyko, speaker of the Russian parliament's upper chamber, and Spencer Oliver, secretary-general of the CSCE parliamentary assembly [as received], and Gerhard Reddeman, vice-president of the assembly and chairman of its committee for political affairs, took place here behind closed doors today.

"Our meeting was of a purely consultative nature," Shumeyko, who is also chairman of the Council of the CIS Inter-Parliamentary Assembly, told ITAR-TASS.

Shumeyko said that the CSCE had a wealth of experience in drawing up recommendations to members of the European Council for Security and Cooperation. "Therefore," he added, "we have decided to hold consultations with CSCE leaders on several aspects of our Inter-Parliamentary Assembly's work on the eve of its regular session on October 29, during which CIS MPs are expected to reach several important agreements, including an agreement on a model civil code."

Shumeyko also noted as a positive fact the CSCE leaders' agreement to attend for the first time a plenary session of the Inter-Parliamentary Assembly. "This shows that this CIS parliamentary body is beginning to carry authority in European structures."

Central Asian States Consider Gas Line Through Russia

MK2910104094 Moscow KOMMERSANT-DAILY in Russian 29 Oct 94 p 5

[Report by Grigoriy Selyaninov: "Central Asian Gas Is Looking for New Ways to Europe"]

[FBIS Translated Text] The CIS countries' prospects for repaying their energy debts to Russia, estimated as of mid-October at $1.5 billion, are rather bleak. Nonetheless, three central Asian republics—Kazakhstan, Turkmenistan, and Uzbekistan—have come out with a proposal to build a new export gas pipeline via Russia and Ukraine. Yesterday the Russian joint stock company Gazprom begun to study the "project of the three." Now, in addition to the Caspian oil puzzle, there is a whole package of pipeline riddles for Moscow.

Is Kiev Worth a Gas Mass

Without Moscow's participation the Alma-Ata [Almaty], Ashkhabad [Ashgabat], and Tashkent project is nonviable. Out of the 725 km of its overall length, 591 km pass through Russian territory. Moreover, the initiators are counting on Moscow's support: Even now the Russian design organizations Vneshtruboprovodstroy and Zarubezhneftegazstroy are effectively participating in the project.

There is only one thing about the new pipeline that could be attractive to Moscow: Gas deliveries to Ukraine will be expanded and therefore Gazprom could in principle increase gas supplies for hard currency. True, this may not happen. The Central Asian gas men do not like Ukraine greatly enough for it to become a pipeline terminal. Its task is to direct gas via Ukraine further, to Europe. A rather curious situation could arise in the process: Russia builds a new gas pipeline to Europe through Belorussia [Belarus] and Poland, while Ukraine, jointly with the Central Asian partners, uses the old pipeline for its own goals. Yet this setup would hardly suit Moscow; moreover, the appearance of new competitors in Europe is absolutely undesirable for Gazprom.

Gas Dollars as a Basis for Turkic Integration

This project is not the only one in the region. The Caspian pipeline consortium with the participation of Kazakhstan, Russia, and Oman is laying an export route for Kazakh oil from the Tengiz deposit. There is also a project for a Turkmenia-Iran-Turkey gas line with a design capacity of 15-20 billion cubic meters a year. Russia's attitude to the projects varies from stand-aside temporizing (the pipeline to Turkey and Iran) to active participation in defining the makeup of participants in the project and a policy for its implementation (the Caspian consortium). The Central Asian republics are united by a common aspiration somehow or other—with or without Russia—to intensify the movement of their energy resources to hard currency markets. The "project of the three" has the largest integration potential among the existing gas projects.

Turkmenistan, having confronted in 1994 restrictions of its gas exports to Europe, has had to cut production: In the first eight months of 1994 a mere 26.6 billion cubic meters, or 57 percent of the same period last year, has been produced. If two new projects, in which Askhabad is taking an active part, are implemented, Turkmenian gas will be given the green light.

Uzbekistan, quite the contrary, is expanding gas production and is therefore interested in additional markets. From January to September 31.3 billion cubic meters had been produced. If this rate is maintained, Uzbekistan could take second place after Russia in gas production among the republics of the former USSR.

As for Kazakhstan, the new project opens the possibility of earning from transit. Furthermore, the Karachaganskoye gas condensate deposit may be included into circulation.

As a result, the implementation of the "project of the three" is fraught with a clash of interests between Russia and the Central Asian republics, which will intensify Turkic integration. Such an outcome can be avoided only by ensuring a thorough financial elaboration of a cooperation scheme, which so far is effectively absent.

ITAR-TASS Carries Press Review for 29 Oct

LD2910074494 Moscow ITAR-TASS in English 0642 GMT 29 Oct 94

["Press Review"—ITAR-TASS headline]

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[FBIS Transcribed Text] Moscow October 29 TASS—All newspapers carry articles today dealing with the work of the State Duma.

Commenting on the results of the voting at the State Duma on the problem of confidence in the government, ROSSIYSKAYA GAZETA writes: "As was expected, the debate on the vote of confidence clarified the political setup at the lower chamber of parliament. Specifically, it became clear that the government is being attacked both from the right and from the left, although their demands to the government were diametrically opposed." The newspaper does not rule out a possibility of the repetition of a crisis, although this time the government managed to hold on.

IZVESTIYA writes about the results of the voting: "First, the government does not enjoy the support of an absolute majority of people's deputies. Second, the same absolute majority does not want its resignation." In the opinion of the newspaper, the present government "will work as long as the president works. It is quite probable that it will become more and more an exchange card in the game played by the president and the parliament."

"The voting on the problem of confidence in the government showed clearly the stratification of many parliamentary groups, which reflects the trend towards the regrouping of political forces in Russian society," ROSSIYSKIYE VESTI writes.

Commenting on the work of the State Duma, KRASNAYA ZVEZDA points out that the lower chamber of parliament gave a bad mark to the government for its economic policy. "Probably, the president will be summoned to the State Duma in November. It is clear that the relations between President Yeltsin and the parliament will not be unruffled," the newspaper writes.

"The government has held on. So, get prepared for the second stage of the shock therapy," PRAVDA writes, referring to the speech at the State Duma of ex-Prime Minister Yegor Gaydar. According to a PRAVDA commentator, "he praised Prime Minister Chernomyrdin for having adopted a tough course envisaging the second state of the 'shock therapy'. It includes the reduction of spendings for social purposes, the uncompromising policy towards the bankruptcy of enterprises and financial stabilisation through the artificial keeping down of inflation." In the opinion of PRAVDA, when the results of the second stage of the "shock therapy" become evident, "the problem of confidence in the capitalist ministers will be brought up in a more urgent way and will be settled not at the State Duma, but elsewhere."

Newspapers give wide coverage to Aleksandr Solzhenitsyn's speech at the State Duma. NEZAVISIMAYA GAZETA writes in this connection that "the wise Solzhenitsky did not bring himself to say anything definite about Boris Yeltsin. He even managed to avoid the word 'president' in his speech at the State Duma." "It is true that we should heed the words of Aleksandr Solzhenitsyn, that we should ponder over his words, but still, we should live according to our own judgement," PRAVDA writes.

TRUD and PRAVDA report a protest action against the economic policy of the present government, organised by the Russian Federation of Independent Trade Unions last Thursday. PRAVDA calls attention to the fact that two years ago 1.5 million people took part in a similar protest action, while this time the number of participants was about eight million. "The protest action was a peaceful one," TRUD stresses. According to PRAVDA, "Working people were protesting against the way of life, which is being imposed on them."

IZVESTIYA calls attention to the warning of the Central Bank: "After January 1 many companies, which are raising money of the population, may become illegal." The newspaper explains that they are engaging in banking activities without having a corresponding license.

KRASNAYA ZVEZDA writes, commenting on the results of a trip of Defence Minister Pavel Grachev to the Far East: "The Far Eastern borders of Russia are reliably protected. The troops are capable of fulfilling any mission."

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Kozyrev Leaves for Economic Conference in Casablanca

LD3010114194 Moscow ITAR-TASS World Service in Russian 1042 GMT 30 Oct 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 30 October—Russian Foreign Minister Andrey Kozyrev left today for the Moroccan town of Casablanca to participate in the representative international economic forum "The Middle East and North Africa," which is to be held there. The presidents of Russia and the United States, Boris Yeltsin and Bill Clinton, are cochairmen of the conference.

Speaking to journalists at Vnukovo airport, Kozyrev pointed out that "the conference was conceived immediately after the signing of the Gaza-Jericho agreement, which is one of the steps in the process of a comprehensive Middle-Eastern settlement." The minister said that the holding of this conference shows that "the world community is displaying a very correct approach: a step in the right direction by warring sides should receive economic support."

"Isolation, sanctions, hunger, economic troubles are the background for bitterness, irreconcilability and terrorism, that is to say, the soil in which the party of war grows," Kozyrev noted. "It is essential therefore that the party of peace in any conflict and, in particular, in the Middle East receive outside economic encouragement. After all, prosperity and enhanced economic activity are the environment in which the forces of stability grow stronger. The Casablanca forum is an example of the world community pursuing a very correct line, which is favored by Russia too. Harshness towards the party of war should be combined with maximum economic support and economic encouragement for the party of peace".

Further Remarks Upon Departure

LD3010121094 Moscow ITAR-TASS World Service in Russian 1104 GMT 30 Oct 94

[FBIS Translated Text] "Certain shoots of peaceful coexistence and interaction in the Near East region give Russia the opportunity to provide for its own foreign economic interests," Andrey Kozyrev noted. "We very much hope that the economic forum in Casablanca will help Russian businessmen to move into to Near Eastern and North African markets. Already now in Morocco there is a large group of representatives of our business circles who have made a considerable contribution towards the preparations for the conference. This forum should open up new markets for Russia, especially as the Near East and North Africa are traditional partners of ours."

Regarding the problem of the debts owed to Russia by a number of Near Eastern states, the head of the diplomatic department noted that "Syria's debt exceeds 10 billion dollars and a number of other states, for example Libya, also owe big debts. They amount to colossal figures, but the issue is how and on what terms their payment will begin." Andrey Kozyrev admitted that "this is unfortunately still not altogether clear, but we do not intend to reconcile ourselves to this state of affairs." "At the same time," he emphasized, "this does not mean that we should not endeavor to create conditions for our own goods, services, and capital to reach the Near Eastern and North African markets—a potentially very rich part of the world."

Further on Middle East Peace Process

LD3010130094 Moscow ITAR-TASS World Service in Russian 1141 GMT 30 Oct 94

[FBIS Translated Text] Assessing, at the ITAR-TASS correspondent's request, the level of contacts between Russia and the USA, who are co-sponsors of the Middle East peace process, Andrey Kozyrev said that "our interaction is a very good example of a working Russian-U.S. partnership, on the whole, and in the form of co-sponsorship, in particular."

The Russian minister pointed out that "we have been searching for some time for a clear cut formula for interaction in resolving the Middle East problems. At first a view prevailed, according to which all steps being undertaken had to be agreed upon down to the very last comma, that is to act like Siamese twins." But life shows that a more efficient form of interaction is to act independently while coordinating the strategic aims and even tactical steps. This is even more right since each of the sides has its own ties and levers to exert pressure on various political forces in the Middle East."

According to the head of the diplomatic department "Russia and the USA are in constant contact and synchronize their actions both at the working level of experts, and also at the level of ministers and heads of state." Andrey Kozyrev said that one of his first meetings in Casablanca will be with U.S. Secretary of State Warren Christopher. With him and President Bill Clinton "there had already been a good conversation" in the past week in the Jordanian town of Aqaba during the signing of the Jordanian-Israeli peace treaty. The minister recalled that at the level of the Russian and U.S. presidents "there is a constant exchange of messages, in which the Near East theme is ever present." "The progress that despite all the difficulties is being achieved in the Near East is to a large extent the result of the interaction between the Russian and American cosponsors of the peace process," Andrey Kozyrev stressed.

Touching upon the program for his stay in Casablanca, the Russian foreign minister said that "the conference, like any such forums, will provide the opportunity for broad contacts." In Kozyrev's words, about two dozen meetings have been scheduled between him and heads of state and government, and foreign ministers of the states

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participating in the conference. As one knows, apart from the leaders of the Near East and North African states, the heads of the foreign policy departments of Great Britain, Germany, France, Portugal, and Spain are expected to attend the conference.

When the conference ends on Tuesday [1 November] Kozyrev plans to visit Syria. "This visit was planned well in advance, but then it was postponed for several days," he said. "The American co-sponsor of the Near East process has now also made a series of contacts in Syria, inter alia at the top level. We welcome and appreciate this activity, at the same time, it is obvious that for the time being it would be difficult to talk of success. This proves yet again that only joint efforts could produce fruits. Russia intends to assist in the progress on the Syrian-Israeli direction in every possible way since, alongside the Israeli-Lebanese direction, it is acquiring a priority importance at present."

Kozyrev Arrives in Morocco

LD3010174494 Moscow ITAR-TASS in English 1730 GMT 30 Oct 94

[By ITAR-TASS special correspondents Dmitriy Gorokhov and Vadim Lagutin]

[FBIS Transcribed Text] Casablanca October 30 TASS—Russian Foreign Minister Andrey Kozyrev arrived here on Sunday as head of a Russian delegation to an international conference on the economic development of Mid-East and North African countries.

The forum is to be hosted by Morocco's economic and business centre, the city of Casablanca.

This conference initiated by the World Economic (Davos) Forum and the New York Council for International Relations is being held according to the recommendations of the October 1991 Madrid conference. It can be regarded as another round of multilateral Arab-Israeli talks.

For the first ever time such a high-level meeting, which has attracted over one thousand participants representing the governments and business communities of more than 50 countries, will concentrate entirely on economic issues, a solution of which is designed to consolidate the peace process.

Urges Economic Cooperation

LD3010220194 Moscow ITAR-TASS World Service in Russian 2105 GMT 30 Oct 94

[By ITAR-TASS special correspondents Dmitriy Gorokhov and Vadim Lagutin]

[FBIS Translated Excerpt] Casablanca, 30 Oct—Speaking here at today's opening of the international conference on economic development of the Middle East and North Africa, Russian Foreign Minister Andrey Kozyrev passed on to its participants a message from Russian President Boris Yeltsin. It wished success to this representative international forum. As a cosponsor of the Middle East peace process, the message stresses, Russia is actively supporting constructive efforts aimed at settling the Arab-Israeli conflict. The political process in the Middle East must be based on a solid foundation grounded in regional cooperation in the economy and other spheres. The Russian president said he is certain that the conference will be an important step on the path toward lasting peace.

In his speech, A. Kozyrev stressed a close link between the political and the economic component of the peace process. He confirmed Russia's intention to actively promote the aims of the Casablanca forum. The Russian foreign minister said representatives of Russian business circles are taking part in the forum. Russia has a wealth of experience in building large industrial sites in the countries of the region. He stressed that cooperation may even be developed in spheres such as power engineering, transport, water resources, telecommunications, and banking.

A. Kozyrev thanked King Hassan II and the Moroccan authorities for organizing the meeting. [passage omitted]

Addresses Casablanca Conference

LD3110085994 Moscow ITAR-TASS in English 0800 GMT 31 Oct 94

[By ITAR-TASS special correspondents Dmitriy Gorokhov and Vadim Lagutin]

[FBIS Transcribed Text] Casablanca October 31 TASS—Speaking at the opening of the international conference on economic development of Mid-East and North African countries here on Sunday, Russian Foreign Minister Andrey Kozyrev conveyed a message from Russian President Boris Yeltsin to its participants.

It contains wishes of success to this representative international forum. The message stresses that Russia, as a co-sponsor of the Mid-East peace process, actively supports constructive efforts to settle the Arab-Israeli conflict.

The political process in the Middle East should be based on strong regional cooperation in the economy and other spheres. The Russian president expressed confidence that the conference would be an important step towards a lasting peace.

Kozyrev pointed to the inseparable link between the economic and political components of the peace process. He confirmed Russia's intention to promote actively the aims of the Casablanca forum.

The minister noted that the conference is attended by members of the Russian business community. Russia has rich experience of building major industrial projects in countries of the region.

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Its potential makes it possible to boost this cooperation. Kozyrev noted that cooperation can be established in such spheres as the power industry, transport, water resources, telecommunications as well as banking.

He expressed gratitude to King Hassan II and to Moroccan authorities for the organisation of this forum.

Speaking on behalf of U.S. President Bill Clinton, Secretary of State Warren Christopher acclaimed the joint chairmanship of the United States and Russia at the top-level economic meeting in Casablanca.

Progress achieved at the Arab-Israeli talks made it possible to fling open the door for economic cooperation in the interests of stronger peace. In Christopher's opinion, it is high time for the Arab League to renounce fully Israel's economic boycott.

The United States decided to give aid to the planned bank of cooperation and development for the Middle East and North Africa, the state secretary continued.

The forum's plenary meeting will be held here this monday.

The Casablanca meeting evokes great interest among the mass media. More than 600 journalists representing leading tv companies, news agencies and influential newspapers came to cover it.

Pointing to the unique nature and thorough preparation of the forum, the media express apprehensions at the same time that the lack of progress at the Israeli-Syrian and Israeli-Lebanese directions of the Mid-East peace process may seriously interfere with turning the region into single economic space.

This forecast can be confirmed by the fact that neither Syria nor Lebanon sent official delegations to Casablanca.

Envoy Optimistic Over Middle East Peace Process

MS3110110794 London THE INDEPENDENT in English 31 Oct 94 p 12

[Report incorporating interview with Viktor Goguitidze, Russian ambassador to Syria, by Robert Fisk; date not given: "Russia Has High Hopes For Syrian Peace Deal"]

[FBIS Transcribed Text] Damascus—The Russian Foreign Minister, Andrey Kozyrev, arrives in Damascus today to be met by one of the most optimistic diplomats in the Middle East: Viktor Goguitidze, Russia's new ambassador to Syria. All is for the best, in the best of all possible worlds, according to the former Soviet Middle East deputy foreign secretary and delegate to the 1991 Madrid negotiations.

A small, chunky Georgian, he sinks into a huge armchair when he talks in his Damascus embassy: an institution that still boasts a marble bust of Lenin and an oil painting of Red Square in the lobby.

"Peace didn't come with Camp David," he says. "Peace didn't follow the PLO-Israeli agreement. There are a lot of problems left after the Jordan-Israel treaty. This Syrian-Israeli peace process is the only choice now. It has to be comprehensive. I think that if Israel will fully withdraw from Golan, then the thing can be worked out. There is no other choice for the Israelis." There are no "diplomatic sources" for Mr Goguitidze. "You may use my name, of course," he says. Russia, once a patron of the Arab world, is anxious to get back in the news, it seems.

"There were a couple of things that struck my attention from President Clinton's visit," Mr Goguitidze says, warming enthusiastically to his optimistic theme. "Firstly, there was the definition of peace made by President al-Asad when he said it would be 'normal' peace with Israel. This was a big step forward in the peace process between Syria and Israel. It showed the seriousness of the Syrian leadership. President al-Asad has always insisted that the peace must be on the basis of UN Security Council resolutions 242 and 338 (demanding an Israeli withdrawal from occupied Arab land) and now Mr al-Asad defined the peace; it would be 'normal'. This is a message that will be heard in Tel Aviv.

"Secondly, al-Asad made it very clear that it was a strategic choice on the part of Syria. There was a message to the Israelis: there would be no bargaining between the two sides about withdrawal—it has to be complete and back to the border of 1967."

Mr Kozyrev visited Saddam Husayn in Baghdad at the height of the latest Gulf "crisis", travelled to Kuwait to pass on the "good news" of Iraq's offer to recognise the new UN-designated border with Kuwait, appealed at the UN for the lifting of sanctions, if Iraq complied with Security Council resolutions, was a joint signatory to the Jordan-Israeli treaty—and would have arrived in Damascus earlier, if there had not been a vote of no confidence in the Russian parliament. Russia may no longer be the Soviet Union, but it dearly wants to be back in the business of Middle East peacemaking. And Syria is now the focus of all such efforts.

"I think that al-Asad is in a most privileged position," Mr Goguitidze says as he sips scalding tea in an anteroom. "He is a strong leader with a lot of cards in his hands. 'Arafat didn't have these cards with his DOP (Declaration of Principles). Where I can agree with al-Asad is that he believes that, in the context of the peace talks, a Syrian-Israeli peace will not be like the DOP, with all its holes and ambiguities—though the question of the activities of certain groups, for example the Hizballah, will have to be settled. But it can only be settled in the context of a peace agreement. And one of the main problems of actions in southern Lebanon (against Israeli troops) is the continuation of the Israeli occupation there."

As for the vexed issue of "terrorism", a theme of Mr Clinton's speeches, the Russian ambassador believed all

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parties to the peace talks share the same views. "It is a clear-cut humanitarian position," he says. "Most of the leaders of the Middle East countries are trying to think what will happen in the 21st century and have representatives in Tunisia. This is why Israel has begun the process of 'normalisation' with north Africa. But water is one of the problems for the 21st century in this area. The water groups in the multilateral talks are under way, but for the time being they are on a very technical basis. Most of the leaders of the Middle East countries are trying to adjust their countries to possible challenges."

Kozyrev on Reasons, Results of Baghdad Trip

MK2810115094 Moscow SEGODNYA in Russian 28 Oct 94 p 3

[Article by Russian Foreign Minister Andrey Kozyrev under the "Smolenskaya Square" rubric: "Why Did We Need a Trip to Baghdad?"]

[FBIS Translated Text] Russia's diplomatic initiative to break the gridlock over the Persian Gulf crisis has drawn a groundswell of responses, both positive and negative. In this regard, while the irritated reaction in the West could in principle have been foreseen, it is not quite clear why this action elicited a similar, if not greater, irritation from some part of the domestic press. A number of commentaries create the impression that the authors who analyze our diplomatic steps keep themselves aloof from Russian interests in the region.

What was the actual meaning of the actions taken by Russian diplomacy during those several dramatic days of October?

The movement of Iraqi troops to the south of the country, to the border with Kuwait, created a dangerous situation in the region. We, as many other states, had information that to all appearances the issue was not a new invasion of Kuwait, but an attempt deliberately to dramatize the situation over the problem of sanctions against Iraq. But given the recent tragic experience such actions could not but arouse the intense anxiety of Iraq's neighbors. And most importantly, whatever objectives Baghdad might have been pursuing, its line of conduct once again set in motion "the logic of war" in the development of events that could at any moment trigger a new armed showdown in the region.

For us there was no question from the outset as to which side Russia would be on in case of a new aggression against Kuwait. Baghdad was also unequivocally advised of this stance of ours. At the same time we proceeded from the assumption that it would be in our interests to try to avoid the escalation of the conflict and to bring the situation back to a political framework. This is how the idea of the Russian foreign minister's trip to Iraq and a number of other countries of the region emerged.

There was nothing unexpected in it for our Western partners. I shared my plans with many counterparts of mine, including chiefs of foreign policy departments of the United States, France, China, other members of the UN Security Council, and United Nations Secretary General Butrus Butrus-Ghali. In a telephone conversation between B.N. Yeltsin and Bill Clinton the idea of my trip was endorsed by the U.S. President.

The immediate goal of my talks with Saddam Husayn was to convince the Iraqi leadership to pull the troops back to their initial positions. And this goal was achieved despite all his maneuvers and delays. For the sake of this alone the Baghdad trip was worth making.

But, of course, we could not but use it to solve another, more fundamental issue—bringing about a comprehensive settlement in the Persian Gulf. Here, again, a tangible positive result was also achieved. Iraq for the first time—not by ambiguous hints, but in an official document—acknowledged the need to make a positive decision on the recognition of Kuwaiti sovereignty and borders without any preconditions. Since this document was extensively covered by the Iraqi mass media, the Iraqi people effectively for the first time heard from their leaders that Kuwait is a sovereign, independent state, not Iraq's 19th province. It was also effectively recognized that a way out of the country's current difficult economic plight is not a military buildup or resistance to "a foreign conspiracy," but implementation of the applicable resolutions of the UN Security Council.

Despite allegations about a "deal" between Moscow and Baghdad, the joint communique adopted during the visit reflected a simple and indisputable idea: if Iraq complies with all requirements of the Security Council resolutions, sanctions against it will no longer make any sense at all. After all, the sanctions were not imposed for the sake of strangling Iraq economically, were they?!

This very logic that we pursued was finally approved by the Security Council. While the initial Security Council draft resolution on Iraq looked like "a declaration of war," the final text, as a result of amendments made by the Russian delegation, among others, was oriented toward overcoming the crisis and promoting stability.

I think now that we have managed to avert a new Desert Storm, we should let the situation in the region cool off so as to seek persistently a comprehensive settlement at a new stage. Then the results of Russian diplomatic efforts are bound to have an impact. Indeed, they have already influenced Baghdad's stance, in particular, prodding it to resume cooperation with the United Nations in implementing its decisions on Iraqi disarmament. But, of course, the key thing is that Baghdad must fulfill its pledge to recognize the sovereignty and borders of Kuwait. As a matter of fact, under the provisions of the Russian-Iraqi communique, the start of the long-term monitoring of Iraqi disarmament is now directly linked to this step. Baghdad must also see the prospect of lifting the sanctions that would give it incentives strictly to adhere to all UN Security Council resolutions.

It is essential also to mull over the lessons of the crisis in a broader context.

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Undoubtedly, Baghdad's policy in the past repeatedly showed expansionist ambitions, which is characteristic of many revolutionary regimes (the leadership of the former Soviet Union, alas, did a lot to lay the logistic foundation for this Iraqi policy). It is equally evident that if such ambitions are to be contained, the best means is the firm resolve to resist any possible aggressive encroachments or to repel them, if necessary.

M.S. Gorbachev's diplomacy preferred to ignore this indisputable truth, as it sought "to run with the hare and hunt with the hounds" right after the Iraqi troops invaded Kuwait—that is, to enable the aggressor to return to the pre-war status quo without bearing any consequences.

The situation has changed radically since then. These changes actually manifested themselves during the recent crisis.

First, Baghdad's expansionist policy lost its patrons: precisely because it is fraught with political crises and military conflicts, there can be no such patrons in the present-day world. Moreover, contemporary Russia in principle opposes such a policy on ideological grounds.

Second, we have established wide-ranging and full-blown relations with the Persian Gulf countries. I remember that a visit by the Russian foreign minister to the Gulf countries two and a half years ago elicited, to put it mildly, mixed comments by our press ("what, he has nothing else to do?!"). At the time, just as is the case now, many journalists, unfortunately, did not understand our actions. Meanwhile, Russian diplomacy, literally before their very eyes, "opened up" for cooperation a whole range of new partners. In the ensuing two years we have fostered the closest possible political relations with them. Military-technical cooperation, too, is thriving with the Foreign Ministry's most active involvement. It is well known that it calls for close relations of trust between states. In other words, if for the former Soviet Union there was only one single partner in the region—Iraq—the new Russia has acquired partners, including for economic and military-technical cooperation, among its erstwhile foes.

Finally, there is another significant factor that has for some reason been ignored by the current critics of Russian diplomacy in the Persian Gulf area. The point is that we have reached a level of partnership in our relations with the key Western states. These relations are not an idyll free of conflicts, but the recognition of each other's "right to disagree," even if within the framework of common strategic goals.

If we look at the situation in the Persian Gulf in the light of these fundamental changes in our relations with both the countries of the region and the West, we will be able to single out what is most important. Three years ago the issue was an outright aggression by Iraq against Kuwait—not just direct military violence, but also a political-legal expansion. For upon occupying Kuwait, Baghdad said that such a state did not exist at all. At present the situation is entirely different, and this is so precisely thanks to the recent visit to the region by the Russian foreign minister.

It was radically different from M.S. Gorbachev's diplomacy in 1990-1991 in terms of both its objectives and results. At that time Moscow attempted, simply speaking, "to whitewash" the fact of aggression, to shield its client from responsibility. This time Moscow tried (not without success, by the way) to pressure the former aggressor to recognize the independence of a state that was just recently the victim of that invasion and thus to bring forward a settlement of the conflict.

To claim that we achieved everything we sought during that round of diplomatic efforts would be just as absurd as to demand "all and now" (and judging by the logic of many newspaper commentaries this is precisely what the critics of the Foreign Ministry's work expected from us). The Near East peace process, the Bosnian talks, and the difficult movement toward a settlement in the Persian Gulf have shown that the search for peace often takes many years. It is important to make sure that it will not be supplanted by overtures to the aggressor, a simulation of a comprehensive settlement. A peace can only be durable if it is based on just requirements of the international community. We proceeded precisely from this assumption when we contemplated making a trip to Baghdad, and we continue to do so as we prepare our next steps in this region.

This is why some of our parliamentary opposition figures are trying in vain to make a case that Kozyrev allegedly heeded their arguments and is bringing Moscow's policy in this region back according to cycle. My differences with the nationalist patriots have not diminished a bit. The critics of our foreign policy demand that Russian diplomacy plunge itself headlong into the inferno of confrontation with the West, including over Iraq. I have believed and continue to believe, however, that the unreasonable, ideological standoff with the West that has drained the country's resources has sunk into oblivion along with the obsolete ideology of the old Soviet regime.

Now, one more point about the reaction to our efforts, this time in the West. One wonders why the apparently unassailable action by Russian diplomacy in terms of its objectives has initially aroused such irritation in a number of Western capitals? Behind it, I think, is their unwillingness to recognize that anyone apart from them can play a role in this strategically important region. In my judgment, the bottom line of the outburst of emotions on the part of some Western politicians was well captured by a Western magazine, which noted that had this action been taken by Bill Clinton, it would have been good; had it been undertaken by Jimmy Carter, it would have been bad, but still less humiliating for the West than a Russian diplomatic mission. But the fact that Russia set about this job is the worst-case scenario...

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Still, one can state with satisfaction that the Russian-American partnership has withstood the test of the Persian Gulf crisis. However high passions might run, we have not slid back to a path of confrontation. This is yet further proof of a new quality in relations between Russia and the United States. But this is also yet another argument in favor of a continuous improvement of the partnership mechanism so as to give it a genuinely strategic nature.

Finally, one should once and for all recognize Russia's role as a power with global interests that seeks to pursue its interests not through confrontation, but through teamwork and cooperation with the leading democratic states of the world. It is important that this image of Russian presidential foreign policy also gains ground in our public opinion.

Kozyrev Presence at Treaty Ceremony 'Almost Unnoticed'

MM2810105794 Moscow IZVESTIYA in Russian 28 Oct 94 p 3

[Report by Konstantin Eggert: "Modesty Becomes Russian Diplomacy: Andrey Kozyrev Keeps in the Background During Peace Signing Ceremony. He Has Not Lost Hope of Returning to the Forefront"]

[FBIS Translated Text] al-'Aqaba—"You and I, Your Majesty, are concluding our own personal peace—the peace of soldiers, the peace of friends." These words, addressed to King Husayn of Jordan by Israeli Prime Minister Yitzhaq Rabin, lent a touching personal note to the ceremony of signing the peace treaty between the two countries.

The celebrations held at the Wadi 'Arabah border crossing, situated between the cities of al-'Aqaba (Jordan) and Elath (Israel), were full of emotional moments. The thousands of guests burst into applause when little Arab and Jewish girls whose grandfathers had died in the 1967 war presented flowers to the main participants in the ceremony, and top-ranking officers of the Israeli and Jordanian Armies saluted one another and exchanged mementoes for the first time in history.

But the biggest applause was won by U.S. President Bill Clinton. He was at least as much the hero of the celebrations as Rabin and Husayn. Speakers vied with one another to speak about America's special role in achieving peace between Tel Aviv and Amman.

Against this background, the Russian foreign minister's presence went almost unnoticed. He read out a greetings message from President Yeltsin to the public and then, as the representative of a country cochairing the Madrid Conference, endorsed the text of the peace treaty. Russian diplomats were not in the least put out by their boss playing such a modest role. According to them, even this token participation was only obtained in the last 48 hours. Initially, the signing was planned purely as a benefit performance for the Americans. "However, the Americans did not get their solo role," observed one of the Russian diplomats.

The finale of the secret peacemaking between Israel, the United Statwes, and Jordan took place in Wadi 'Arabah. The Americans and Israelis had for a long time been unable to forgive the king for his tacit sympathy with Saddam Husayn in 1990-1991. And now, in exchange for a large part of the foreign debt being written off and the promise of large supplies of the latest armaments, the king of Jordan was forced to strenuously underscore his respect for America. He understands that if President Clinton comes to the Near East a week before the mid-term elections it means that he very much needs to.

Local commentators consider that the White House specially insisted that the President's visit to Jordan and Israel be given the status of an official visit. Under protocol this obliges the hosts to show marked respect to the chief "guest" and pay less attention to other visitors.

The members of the Russian delegation categorically rejected the suggestion that any coolness toward Kozyrev was due to his recent visit to Baghdad. "The Iraq episode is receding into the past," a high-ranking Foreign Ministry staffer opined. "The farther away it is, the clearer its lessons become both for us and the West."

Smolensk Square is plainly pinning its hopes on Syrian-Israeli dialogue. Moscow's ties with Damascus are considerably closer than with Amman. It is on this front that Russia hopes to play a prominent role. According to available information, the Foreign Ministry is working on a draft of its own proposals for resolving the problem of the Golan Heights. Our diplomats are not fazed by the frequency of U.S. Secretary of State Warren Christopher's visits to Syria. "We have our own way of working," one of them observed. "Vice Premier Oleg Soskovets, Chief of General Staff Mikhail Kolesnikov, and First Deputy Foreign Minister Igor Ivanov have already visited Damascus. The leader of the Rosvooruzheniye Company, Vladimir Samoylov, is there now."

Nor is a visit to the Syrian capital soon by the Russian foreign minister ruled out. It could take place immediately after Kozyrev has participated in the international conference on economic problems of the Near East and North Africa, which opens in Casablanca (Morocco) 30 October. The minister will thus carry out at least part of his planned extensive Near East program, which was also to have included talks in Amman and Tel Aviv. It was first frustrated by rumors about possible surprises at the State Duma session devoted to the government's activity and then by President Yeltsin's sudden decision to instruct Kozyrev to go to Winnipeg (Canada). An international conference on questions concerned with promoting economic reforms in Ukraine is being held there.

There are reports that Minister of the Economy Aleksandr Shokhin was due to fly there but Prime

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Minister Chernomyrdin insisted on his presence in parliament 27 October. The Foreign Ministry chief had to rescue the situation.

'Common Interest' With Iran in Gulf, Central Asia

LD2810123394 Tehran IRNA in English 1130 GMT 28 Oct 94

[FBIS Transcribed Text] Moscow, Oct. 28, IRNA—Dmitriy Ryurikov, an aide to the Russian President Boris Yeltsin, said that Iran and Russia had common interest in Persian Gulf and Central Asia.

He made the remark Thursday in a meeting with Iran's ambassador here Mehdi Safari and said that Russia was concerned about the security and stability in the Persian Gulf and Central Asia.

Pointing to the potentials of both countries, he noted that Iran and Russia could further promote economic ties.

The Russian official further added that Russian foreign policy was based on defending the interests of Russia, creating balance and stability in different regions and expansion of economic and trade cooperation with other countries.

Referring to the joint mutual and regional interests between iran and Russia on political, economic and cultural areas, Safari said that Iran's President Akbar Hashemi-Rafsanjani attached great importance to ties with Russia and [words indistinct] by the president to promote ties.

He said that the visit of the Russian President Yeltsin to Tehran was on Iran's agenda and noted that Iran was preparing for that.

Paper Reports on Arms Shipments to Iraq, Iran

JN2810112694 London AL-HAYAH in Arabic 26 Oct 94 p 4

[Report by Dmitriy Pavlov from Moscow]

[FBIS Translated Text] Russia's military dealing with other countries has proven that there is a big gap between words and deeds. While President Boris Yeltsin was affirming in Washington that his country will stop arms exports to Iran, and while his Foreign Minister Andrey Kozyrev was trying to "propagate" a new initiative in the Gulf, Baghdad and Tehran were receiving Russian weapons from an "uncontrolled market." This came in a statement to AL-HAYAH by General Viatchilev Ogordonikov, deputy director general of the Russian Interior Ministry and member of the Control Council of the state company Rosvooruzheniye for exporting and importing military weapons and equipment.

The fall of the Soviet Union, its fragmentation into independent states, the high degree of independence enjoyed by a number of republics and areas in Russia (Chechenya, Kalmykya, Titristan), and the deterioration in the military industrial sector, have caused the expansion of unofficial markets, a brain drain, and the smuggling of strategic raw materials, including chemical and radioactive materials. Gen. Ogordonikov said that the Russian leadership is responsible for this because it follows an unstudied policy in the field of transferring military industry to civil production. He added that the West is also responsible because it attempts to obtain advanced technology directly or through attracting the brains that can produce this technology.

The general said that work stopped in 21 defense factories last year and that work will stop in another 130 factories. Meanwhile, 400 factories are adopting a reduced working schedule and the number of scientists and engineers working in the defense complex has been reduced by 20 percent during the same period. It also seems that the number of engineers leaving their work is increasing continuously. In the past, they used to "leave" for the West, but now, we can say that they are "hurrying" to the West and to other areas.

In December 1993, the border police at the Cherimitov Airport stopped a group of experts from an office for military designs after the police discovered that their documents, prepared by a local tourism company, were not in order. Among those were well-known experts who are winners of the Lenin prize, which was the highest prize in the Soviet Union. Those experts, who were heading with their families for an Arab country in North Africa, did not hide the fact that their purpose was to produce a delivery missile [sarukh hamil] of "Zip" type and that they want to compensate for the bad living conditions and low salaries in their homeland.

In the summer of 1994, the Counterespionage Agency (Ministry of Security) noticed that a tourist company rented a ship heading from the Moscow river port to the Volga basin. It was surprising that the company paid one-way transportation charges to Kalmykya, while its passengers were intending to return by air. It was also striking that among the passengers was a number of engineers, technicians, and employees from the Zvezda design office which produces designs for tactical surface-to-surface missiles. The X31A and X3 missiles designed by the office drew the admiration of experts at international fairs. Contracts to produce such missiles were signed with the United States, China, and India. However, the office lost its independence when the State Property Committee decided to make it subordinate to the neighboring Strella factory. This resulted in cutting the personnel of the office by half and transferring its budget allocations to the factory. Therefore, the office staffers began an "exodus" abroad. Among those were the ship passengers, who were heading from Kalmykya to Iran via the Caspian Sea, taking advantage of the absence of strict border surveillance.

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According to the Counterespionage Agency's statistics, about 40 percent of highly qualified theoretical physicists and 12 percent of applied physicists have left the republics of the former Soviet Union, especially Russia, to live abroad temporarily or permanently. A recent poll conducted by the Labor Institute at the request of the Counterintelligence Agency revealed that 13 percent of scientists are ready to leave immediately and that 40 percent do not rule out emigration. This extensive emigration prompts one not to rule out that five years from now, an Asian or a Middle Eastern country might announce that it has become in possession of a nuclear weapon and the required means of delivery, such as missiles or aircraft.

Gen. Ogordonikov said that the West is trying to obtain "the cream of Russian scientific thinking." Therefore, it is using espionage methods and offering public temptations. Approximate estimates indicate that the West last year spent over $100 million to purchase Russian technologies. Among those "required" technologies are the products of the Yofi Institute in St. Petersburg. The institute is one of the most important Russian research centers. It has developed "an extraordinary" type of semiconductor. A foreign company purchased the right to produce that technology outside the former Soviet Union.

The Russian Foreign Intelligence Agency and the General Intelligence Directorate at the Russian Defense Ministry acquired information about the appearance of this type of semiconductor in Baghdad. Of course, there have been questions about how the Iraqis acquired them. However, the Yofi Institute said that these semiconductors have also appeared in North Korea.

Among the hypotheses raised by Russian Counterintelligence Agency experts is that persons from structures affiliated with the Yofi Institute may have been able to sell the products to Baghdad and Pyongyang. They said that the aforementioned technology is flying around the world without any restraint. Therefore, it is difficult to specify the side responsible for breaking the arms embargo imposed on Iraq and North Korea.

Gen. Ogordonikov noted that Kalmykya has become a passage through which the brains and products of the military industrial complex are leaked from Russia to Iran. Until recently, this was accomplished through cooperation with the Chechen Republic, which received large commissions in hard currency as a result of smuggling weapons, beginning with light weapons and ending with chemical weapons.

The weapons were transferred from the Ichvesk and Oral factories to Chechenya via Kalmykya and then large amounts of these weapons were transferred to Lebanon. Furthermore, weapons were moved to Bosnian Muslims, and even the Serbs, via a channel in the Turkish part of Cyprus.

Ogordonikov describes these channels as "routine," adding that radioactive materials were recently seized while being smuggled between Kalmykya and central Asian republics. An employee at the Moscow Dosodidovo airport accidentally discovered that his personal detector scale was reading a high percentage of radiation near a container. Civil Defense employees, who were summoned to the site, discovered that the percentage of radiation half a meter away from the container reached 3,000 microroentgen per hour, that is, 250 times more than normal. Civil Defense employees summoned counterespionage officers and the container was opened. Another container, one meter high and 25 centimeters wide, was found inside the first container. The only document found in the "lethal" shipment was a copy of a shipping document noting that "the commodity" arrived from Kalmykya and that it was on its way to a republic in Central Asia. The destination of the shipment could have been Iran, North Korea, or Iraq. However, counterespionage experts affirm that most times such shipments would be sent to any of these three addresses. The investigation showed that the container reached Kalmykya from Chilyabinsk in Ural. It is known that work in the Chilyabinsk-65 factories is related to plutonium used in nuclear weapons. The one who sent the shipment from Chilyabinsk was the one who received it in Alesta in Kalmyka. This person, who left on a tourism trip for Cyprus, never returned and could not be traced there.

Ogordonikov noted that the Defense Ministry counterespionage apparatuses have information on the theft of poisonous liosite gas [name of gas as transliterated] which was kept in steel containers from temporary chemical weapon warehouses in Odomortya, in Ural.

Investigations revealed that some time after the theft was discovered, a quantity of "chemical crude material" was sent in steel containers from Kalmykya to the Chechen Republic to be refined in Groznyy's oil refineries. However, the "crude material" was not refined in the Chechen capital, but was sent to Iraq for, according to the accompanying documents, electroanalysis in order to obtain arsenic acid.

Within this context, it is noted that Baghdad has recently begun to show great interest in the space images of the Iraqi territory and the neighboring territory in the East, South, and West, captured by Russian surveillance and "weather forecast" satellites. These images have become a "commodity" in the markets of military technology and certainly Baghdad is not the only party interested in them.

Analysts from the Defense Ministry's Counterespionage Agency said they do not rule out the possibility that Iraq can obtain these images from the "uncontrolled market." This may mean that Iraq is looking for targets to use the chemical weapons, which arrived in steel containers from Odomortya via Kalmykya and the Chechen Republic. Those experts believe that the said weapons may soon be used by Baghdad against the Kurds in northern Iraq as happened in the past.

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There is another indication on the considerable extent of the "uncontrolled market." After Russia announced that it will stop selling weapons to Iran, an international conference for cooperation among the Caspian Sea littoral states was held in Moscow early this month. During the conference, Tehran representatives delivered a message to Moscow to the effect that if Russia "feels it is undesirable to implement even the contracts that it signed previously with Iran to export arms, then it has the right to do so and there will be no demands for compensations." This indicates that Iran found a chance to obtain from the "uncontrolled market" all the weapons and equipment it planned to purchase from the legitimate world markets. Experts at the Counterespionage Agency feel that the "goods" will not arrive in Iran via the Rosvorgene Company, but will be smuggled through studied and tested routes that may go through Kalmykya and the Central Asian republics.

General Ogordonikov concluded by saying that the "fruits" of the unstudied program to transform the military industries in Russia will, for a long time to come, provide a source of supply to the hotbeds of tension in the world and will help spread the stench of blood from there.

Karasin Opposes Changes to UN Force in Bosnia

AU2810215894 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 28 Oct 94 p 9

[Report by Djuro Bilbija: "Against Islamic 'Helmets'"]

[FBIS Translated Text] Russian diplomacy has not officially reacted yet to the latest idea of UN Secretary General Butrus-Ghali that the blue helmets in Bosnia could stay even if the arms embargo were lifted, and that in that case, the peace contingents of the countries that have announced withdrawal if the situation deteriorated dramatically—France, Great Britain, and Russia—could be replaced with troops from Islamic countries such as Turkey and Pakistan.

Semi-officially, or only partly officially, Moscow has nevertheless indicated that it would not give the "green light" to such a proposal by Butrus-Ghali.

Russian Foreign Ministry Spokesman Grigoriy Karasin made a statement especially for VECERNJE NOVOSTI:

"We have not commented on this officially yet because we have not received Butrus-Ghali's report on the talks between the UN Secretariat and NATO on which it is known that we have insisted. We will wait for the report on the stand that the UN Secretariat takes on the request to simplify the procedure of carrying out air strikes in Bosnia, although, as far as we know, the UN's position on that is 'fairly firm' for the time being. Here also my personal view on the initiative that the blue helmets be replaced with peacemakers from Islamic countries: I do not think that it is good to think about replacing one peace contingent with another if their safety requires withdrawal from some territories. One should think about a temporary or permanent suspension of UNPROFOR [UN Protection Force] mission in these territories."

That, despite everything, Karasin is not talking only on his own behalf is confirmed by the fact a Moscow news agency, POSTFACTUM, carried a statement by another high-ranking Russian diplomat who said that his country, France, and Great Britain will certainly withdraw their troops from Bosnia if the decision on lifting the arms embargo against the Muslims is made unilaterally.

Moscow Hopes For 'Reasonable' Compromise on Bosnia

LD2910161694 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] Moscow hopes that at the talks on Bosnia in progress between the U.N. and NATO in New York a reasonable compromise will be reached, a senior official from Russia's Foreign Ministry told Interfax.

According to the foreign press, the North-Atlantic Treaty Organization wants the U.N. to change the procedure of launching bomb strikes on the positions of Bosnian warring sides. It is pressing for cancelling the scheme under which the U.N. has the right to final decision when such operations are conducted.

"It has been agreed that when the talks are concluded participants in them will inform members of the Contact Group for Bosnia (Interfax's note: Russia, the USA, France, Britain and Germany) of their results, the diplomat said.

According to him, "if NATO's demands are accepted, this would lead to altering the concept of the world community's activity in Bosnia-Herzegovina, with which Russia cannot agree."

"We believe that this is not likely to happen, and the agreements reached will provide for the necessity of approving military operations by the U.N.," the diplomat pointed out.

At this stage Moscow does not intend to raise the issue of recalling its servicemen from the U.N. forces deployed in Bosnia, he said.

Kozyrev Says UN Should Control Bosnian Strikes

LD3010130194 Moscow Radio Rossii Network in Russian 1200 GMT 30 Oct 94

[FBIS Translated Text] It would not be proper for Russia take part in the operation of the international peacekeeping contingent in the former Yugoslavia if it is decided that the final word on the possibility of using force lies with NATO or any other organization other than the United Nations. This was stated by Russian Foreign Minister Andrey Kozyrev today, prior to flying

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out from Moscow to the Moroccan city of Casablanca to take part in the international summit conference on economic cooperation for the countries of the Near East and north Africa.

Replying to an INTERFAX correspondent's question, the minister stressed that in this event it would not be a matter of a UN operation, but a NATO operation. In Kozyrev's opinion, the final word regarding an appropriate response in the event of an attack by one of the opposing Bosnian sides on a humanitarian convoy or United Nations' forces should remain with the UN forces protecting the former Yugoslavia.

More Remarks on Bosnian Strikes

LD3010141094 Moscow ITAR-TASS World Service in Russian 1321 GMT 30 Oct 94

[By ITAR-TASS diplomatic correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 30 October—The further refusal of the Bosnian Serbs to recognize the "Contact Group's" peace plan is leading to an even greater deterioration in the situation in Bosnia and Herzegovina while the Muslim side is clearly provoking military action by launching offensives in several directions. Russian Foreign Minister Andrey Kozyrev said this today in conversation with journalists.

The head of the Russian foreign policy department expressed the opinion that "the Bosnian Government is reacting wrongly to the position of the world community which is being perceived by the authorities in Sarajevo as encouragement to proceed with military action." "Unfortunately," Andrey Kozyrev stressed, "the moving of a UN Security Council draft resolution on lifting the embargo on arms supplies to the Muslims fits in with this picture. A direct connection can be traced between this fact and the recent military activeness of the Muslims—It is as if they're saying: Since they've started talking about lifting the embargo, then let's get warmed up while we're waiting for the weapons." "Such a development of events worries the Russian party. We are for the 'Contact Group' working in close cooperation with the Security Council so that the signals being sent are for the conflict to be settled politically instead of by force," the minister said.

Touching upon the theoretical possibility of abolishing the socalled "dual key"—a two-stage system of reaching a decision regarding the use of force in Bosnia, in which the UN has the final say, Andrey Kozyrev said: "I have a clear mutual understanding with Butrus Butrus-Ghali that this issue is out of the question. At present, NATO is holding negotiations with the UN Secretariat regarding proposals by some members of the alliance. But these proposals are not talking of abolishing the 'dual key' or giving up the principle of proportionality or deviating from objectivity. There is no question of deviating from the UN's present mandate which provides for the protection of the UNPROFOR and humanitarian convoys against attacks. These principles remain unshakable, and within their framework the UN leadership, by consulting with NATO and UN individual members, including Russia of course, could make adjustments."

"We are awaiting an official response from the UN on the completion of the present consultations," the minister continued. "NATO is submitting its proposals and the UN is entitled to express its opinion, but Russia as a member of the Security Council and as a country that has sent a contingent of its troops to the former Yugoslavia bases its position on the fact that we are providing our troops not to NATO but to participate in the UN operation. If fundamental changes are made to the present state of affairs, we shall report on this to the Federation Council, which gave its consent for the participation of Russian troops in the operation in Bosnia and Herzegovina. If these changes suddenly involve a 'dual key' or even giving NATO or some organization besides the UN a decisive say, this will fundamentally alter the significance of the entire international operation in Bosnia. It will no longer be a UN operation but a NATO operation, for which the Federation Council has not given its consent, and indeed no-one has sought consent for this. In that event we shall immediately raise the issue of the withdrawal of our contingent from the former Yugoslavia. That is to say, we shall ask the Federation Council not to extend the mandate of our troops but on the contrary to recall them."

Floating Factory Ship Runs Aground Near UK

LD3110065594 Moscow ITAR-TASS in English 0647 GMT 31 Oct 94

[By ITAR-TASS]

[FBIS Transcribed Text] London October 31 TASS—The Russian floating fish factory Pionetsk ran aground near Shetland Islands in the Atlantic, north of Scotland, in a heavy storm last night. No one of 156 people on board was hurt.

The British rescue service has already evacuated 101 people from the floating fish factory by means of a helicopter and a boat. Two tugboats were sent to the distress area to try to refloat the vessel.

Oil Spotted Near Grounded Ship

LD3110055994 London PRESS ASSOCIATION in English 0515 GMT 31 Oct 94

[By Padraic Flanagan, PA News]

[FBIS Transcribed Text] A major air and sea rescue is under way after a Russian factory ship with 156 people aboard ran aground in heavy seas.

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The Coastguard said the ship, the Pionersk, ran aground early today in the Ness of Trebister, south of Lerwick in the Shetland Isles, during a Force 10 gale.

A Coastguard helicopter airlifted 34 crew members off the ship and took them to Lerwick in the Shetlands. A lifeboat rescued another 67 crew.

Rescue operations were continuing to allow only a skeleton crew to remain aboard the ship and assess whether she can be saved.

The captain of the 10,000-tonne vessel reported that the ship had dragged its anchor and ran aground by her stern at about 1am today.

A Coastguard spoksman said the 30-year-old ship was in danger of being pushed towards the land by the storm-force weather conditions.

Two tugs were sent to the scene and were fixing lines to the vessel in an attempt to stabilise her in heavy seas.

A Coastguard spokesman said: "We are taking off as many as possible, probably about 100.

"Then the captain will have the opportunity to assess the situation to see if it can be refloated or whether it will sink."

Weather conditions in the area during the rescue operation continued at Force 10, with winds reaching 50mph.

Pollution experts were called to the scene early today after rescuers spotted oil on the surface of the water around the stricken vessel.

The Pionersk was carrying 150 tonnes of fuel oil and 400 tonnes of diesel when she ran aground south of Lerwick, said a Coastguard spokesman.

Experts from the marine pollution control unit and Lerwick harbour were meeting this morning to discuss removing fuel containers from the ship.

The unit's director, Commander John Bywater, said: "We've deployed a remote sensing aircraft to be on the scene at first light to report on pollution.

"Currently, it's unclear how much of the fuel oil remains on the ship and how much is in the water.

"Once the level of pollution is determined we will be able to assess what action will be appropriate."

Later, the ship's captain reported that the vessel was taking on water in a cargo hold, the engine room and a generator room.

He requested a full evacuation of the ship, now known to be carrying 150 people, as Force 7 gales continued to hamper rescue efforts.

The Coastguard said 34 crew members had been airlifted by helicopter, with a further 91 people taken to safety by lifeboat.

Moscow Favors Western Aid to Ukraine

LD2810135294 Moscow INTERFAX in English 1150 GMT 28 Oct 94

[FBIS Transcribed Text] Pavel Smirnov of the Russian Foreign Ministry's economic cooperation department told newsmen that Moscow had an interest in international aid to Ukraine. Smirnov was attending the international conference on partnership for economic reforms in Ukraine in Winnipeg, Canada. Moscow had favored the idea of holding that conference, he said.

Smirnov called for both Ukrainian and Russian efforts for more reform in Ukraine. He said that well-planned reforms would help Kiev avoid the repetition of some mistakes and would lead Ukraine out of the present crisis.

In Smirnov's view, Moscow, as Kiev's chief creditor, "ought to join efforts to resolve the problem of the Ukrainian foreign debt."

In the two and a half years of its independence Ukraine's debt to other countries has reached $4.3 billion. It owes Russia $2.7 billion. By December 31, 1994, Ukraine will be expected, but hardly able, to pay $635 million to Russia as the interest on that last sum and servicing money.

In addition, Ukraine is running a $1.9 billion commercial debt with Russia. It owes $1.75 billion of that sum to the Russian Gazprom corporation.

According to Smirnov, Moscow sees the need for settling several aspects of bilateral relations before President Yeltsin's visit to Kiev. First of all, the servicing of the former Soviet foreign debt remains a pressing problem. Ukraine bears responsibility for 16 percent of the Soviet debt and Moscow is suggesting a zero option under which Russia stands to get the Ukrainian share of Soviet assets abroad in exchange for a pledge to relieve Ukraine of the burden of responsibility for the 16 percent of the Soviet debt. Smirnov dismissed as unrealistic the possibility of joint efforts to service the Soviet debt. Moscow insists that Kiev square current payments for the delivery of Russian natural gas and deposit $10 million on a bank account in Moscow, Smirnov said.

In addition, the international community, including Russia, is insisting that Ukraine join the Nuclear Nonproliferation Treaty as a non-nuclear country. Smirnov described this demand as the only political condition for international aid to Ukraine.

Terms for Deferment of Ukraine Debt Explained

LD3010113094 Moscow INTERFAX in English 0656 GMT 30 Oct 94

[FBIS Transcribed Text] Russia is willing to defer Ukraine's debt from the end of the year to February 1, 1995, if Kiev accepts a "zero option" for the division of the former Soviet Union's debts and assets, puts a

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$10-million deposit in an authorized Russian bank and joins the Nonproliferation Treaty, a senior Russian diplomat said commenting on a recent statement by Ukrainian President Leonid Kuchma.

Pavel Smirnov, head of department at the Russian Foreign Ministry, was commenting, in an interview with Interfax, on Kuchma's words that Moscow is ready to postpone Ukraine's payment of a $635-million portion of its debt "on certain terms." Kuchma made the statement at an international conference on "Partnership for Economic Reforms in Ukraine" in Winnipeg, Canada.

Russian, Ukrainian Ministers Discuss Cooperation

LD2910180894 Moscow ITAR-TASS in English 1744 GMT 29 Oct 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow October 29 TASS—Russian Foreign Minister Andrey Kozyrev and his Ukrainian counterpart Gennadiy Udovenko had a telephone conversation on Saturday. They expressed mutual satisfaction with the two countries' cooperation during the international conference which has just ended in Winnepeg (Canada) and which is expected to give an impetus to enlisting the efforts of other countries for supporting the present Ukrainian leadership's plans concerning economic reforms in Ukraine.

The two ministers agreed to cooperate more actively in preparation for a Conference on Security and Cooperation in Europe (CSCE) summit and in strengthening international guarantees of security for Ukraine in response to its accession to the Nuclear Non-Proliferation Treaty as a non-nuclear state.

Gazprom, Polish Group Agree on Pipeline to Europe

MK2810135094 Moscow KOMMERSANT-DAILY in Russian 28 Oct 94 p 4

[Report by Svetlana Sukhova: "Results of Gazprom Head's Visit to Poland. Polish Pipe Will Be Only Half Such"]

[FBIS Translated Text] The visit to Warsaw by Rem Vyakhirev, head of the "Gazprom" Russian joint-stock company, ended yesterday, has resulted in a draft protocol elaborated jointly with the Polish partners "On the Distribution of Operations" in the construction of the "Yamal-Western Europe" pipeline project of the century to be signed by Russian Premier Viktor Chernomyrdin during his visit to Poland 3 November.

The search for an alternative route for the gas pipeline (bypassing Ukraine) has led Gazprom leadership to a decision to lay the new pipeline across the territory of Belorussia [Belarus], Poland to Germany, and France. The question of laying the pipeline has all but been decided with Minsk. Things move slower in Warsaw. An agreement on constructing the Polish section of the gas pipeline was signed in the course of Boris Yeltsin's visit in 1993. By virtue of that, Poland hopes to get 14 billion square meters of gas a year. Gazprom's Polish counterpart, "Gurnistwo Naftowe Gazownistwo (GNG), and the "Gas Trading" company founded on 23 September 1993 the "Europol Gas" joint-stock company. Your KOMMERSANT-DAILY correspondent was told at Europol Gas that the questions of confirming the feasibility study and allocation of lands for the first section of the gas pipeline have already been solved.

Among those yet unsolved are the two main problems: financing of the project (it costs $2.4 billion) and the selection of suppliers and builders of the gas pipeline. The draft protocol "On the Distribution of Operations," prepared by Gazprom and Europol Gas the day before yesterday, specifies the Russian and Polish sides' shares of participation and profits in the financing and building of the gas pipeline. The sides are going 50-50 so far. But the final profit sharing and participation depend on the solution of the question of financing. Europol Gas suggests taking a credits approach. In order to obtain bank credits there should be guarantees from the governments of the two countries and the Europol Gas founders. The most important guarantee should be an agreement on the volumes of long-term deliveries of gas to Poland. If the size of deliveries over 10 to 15 years is going to be 14 billion square meters annually, there will be no difficulties in providing the money. Also considered during Vyakhirev's visit was the possibility of paying for the construction work upon the completion of the project out of the profits from sales of gas.

Creditors and builders will be selected by tender. Tender for credit banks, equipment suppliers, and builders of the gas pipeline will be announced right after the completion of the Russian premier's visit.

Warsaw, Moscow Seek To Restore Economic Ties

LD3010150094 Moscow INTERFAX in English 1350 GMT 30 Oct 94

[FBIS Transcribed Text] A large package of documents is expected to be signed during the official visit of Russian Premier Viktor Chernomyrdin to Poland beginning on November 3. The documents are aimed at restoring Russian-Polish economic relations, the Russian Ministry for Foreign Economic Relations told Interfax.

Russian Minister for Foreign Economic Relations Oleg Davydov told Interfax that in spite of the "pause" in trade between the two countries he believed that Russian-Polish mutually beneficial economic cooperation would be restored.

Polish Trade Minister Leslav Podkanskiy told Interfax that both parties paid much attention to cooperation in the military-technical sphere. He stressed that the traditions should be maintained. He said he believed that the

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agreement on cooperation in this sphere would help to increase the trade turnover between the two countries.

Russia and Poland also intend to sign an agreement on mutual reconciliation of debts "with a small plus in favor of Poland," Podkanski added.

By July 1, 1994, Russia and Poland concluded trade contracts costing $1.3 billion which is less that during the last years, said the delegations of the two countries. However, large contracts, in particular in the sphere of the energy industry, will be concluded before the end of 1994. Davydov said the large contracts would help the two countries to restore the former volume of the Russian-Polish trade turnover.

Treatment of Russians in Poland Protested

LD2910120294 Moscow ITAR-TASS World Service in Russian 1111 GMT 29 Oct 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow, 29 Oct—Russian Deputy Foreign Minister S. Krylov today called Poland's ambassador in Moscow to the Foreign Ministry and handed him a note that contained a resolute protest against the actions of Polish police in Warsaw who had beaten up and illegally arrested a group of Russian citizens travelling by train from Russia to Germany.

It was stressed that the Russian side expected that a public apology would be made for the incident, that a thorough investigation would be carried out, that those guilty would be punished, and that compensation would be paid for the material and moral damage.

S. Krylov noted that one of the reasons why the incident was possible was the incessant anti-Russian campaign in some of the Polish mass media—which is not meeting with an adequate response from officials.

The Polish ambassador, referring to the instructions that he was given, officially expressed the Polish leadership's regret over the incident and gave assurances that the text of the note would be passed immediately to Warsaw. He also reported that the investigation into the incident was proceeding under the supervision of the Procuracy, and that its results would be reported to the Russian side.

Customs Seizes Crude Uranium From Tajikistan

LD2910085594 Moscow ITAR-TASS in English 0750 GMT 29 Oct 94

[By ITAR-TASS]

[FBIS Translated Text] Moscow October 29 TASS—Railway customs officers confiscated nine containers with "crude uranium and its compounds" with a total weight of 160 tonnes at the station of Sol-Iletsk (80 kilometers south of Orenburg) on Friday.

The Russian Ministry for Emergencies announced about it on Saturday.

According to the waybills, the cargo was being delivered from Tajikistan to the United States without a certificate of safety and a permission for a transit across Russia.

Three railway platforms, each loaded with three containers, are being guarded now. Regional authorities formed a commission, which would arrive in Sol-Iletsk on Saturday.

Nuclear Official Puzzled by Seizure

LD2910153694 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] The detention of 160 tons of natural Uranium in transit from Tajikistan abroad in Russia's Orenburg Region must have been a result of misunderstanding, the chairman of Russia's Nuclear Safety Committee, Yuriy Vishnevskiy, told Interfax on Saturday.

Russia and Tajikistan signed an intergovernmental agreement in accordance with which the Central Asian republic has the right to sell Uranium abroad under the quota of the former USSR, he said.

According to Vishnevskiy, aid to Tajikistan in exporting natural Uranium is given by Russia's Atomic Energy Ministry and by a number of Russian foreign trade organizations. Similar agreements have been signed with other former Soviet republics, where Uranium is mined. About two-thirds of natural Uranium that used to be mined in the USSR are now produced beyond Russia, he said.

The main goal of the intergovernmental agreements on Uranium trade signed between Russia and the newly independent states is to "avoid unnecessary competition in external markets and prevent Uranium from getting into undesirable hands," Vishnevskiy noted.

However, he said, "sometimes the papers for natural Uranium shipped from those republics through Russia are issued with errors." Besides, "customs officials treat such cargoes with caution and sometimes detain them to be on the safe side."

So far Russia's Nuclear Safety Committee has received no notification that a consignment of natural Uranium was detained in Orenburg Region. "Natural Uranium does not belong to highly-radioactive substances; it poses no tangible threat," Vishnevskiy pointed out. According to him, if natural Uranium was destined for sale abroad, it would be packed in special containers answering to world safety standards. Otherwise the receiving country may refuse to accept it.

Reports on Nuclear Fuel From Finland Denied

LD2810164894 Moscow ITAR-TASS in English 1349 GMT 28 Oct 94

[By ITAR-TASS correspondent Vladimir Akimov]

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[FBIS Transcribed Text] Moscow October 28 TASS—Media reports that depleted nuclear fuel is transported by rail from Finland to St. Petersburg for dumping in Russia are untrue, ITAR-TASS was told today by a department chief of the Russian Nuclear Ministry, Anatoliy Bazarov.

Bazarov said depleted fuel belongs to Russia. Nuclear fuel was previously purchased by Finland for its nuclear power plants on condition of returning reactor-irradiateded fuel to Russia. The deliveries were stipulated by agreements which the USSR drew with countries having Soviet-designed nuclear power plants. Finland operates a WMPR type of the reactor using this fuel.

Destination of depleted fuel is Chelyabinsk, where uranium-235 will be extracted from it to be refabricated for use in Chernobyl-type RBML reactors.

Indian Delegation Discusses Military Cooperation

LD3010155294 Moscow ITAR-TASS in English 1450 GMT 30 Oct 94

[By ITAR-TASS correspondent Andrey Bychkov]

[FBIS Transcribed Text] Moscow October 30 TASS—A delegation of high-placed Indian military officials came to Moscow today to discuss a programme of military and technological cooperation between India and Russia. The delegation leader, Defence Minister K.A. Nambiar [name as received], is to hold consultations with the leadership of the state-owned company "Rosvooruzheniye." Nambiar will also have meetings with Russian Defence Ministry officials.

Although programme details are not disclosed, leaks say the programme projects three-five-year cooperation. Indian informed sources say a major focus of the talks will be on the formation of prices for Russian weapons, equipment and parts. If snags are successfully handled, India is likely to come up soon with a purchase list of weapons for its land troops, air force and navy.

According to the Indian embassy in Moscow, the two countries' military cooperation has made a good progress this year. An India-based aviation joint venture has been set up to produce parts to MIG fighters. MIG-21 bis [word as received] fighters, adopted by the Indian Air Force, have begun to be modernised. Russian deliveries of parts to Soviet-made weapons, making the bulk of the Indian Army's equipment, are steady now.

U.S.-DPRK Agreement Sets 'Bad Precedent'

MM2810164994 Moscow IZVESTIYA in Russian 29 Oct 94 p 3

[Report by Leonid Mlechin: "Americans Reap the Fruits of Our Eternal Friendship With Pyongyang"]

[FBIS Translated Text] Why did the agreement signed last week between the United States and North Korea cause dissatisfaction in Moscow?

The Americans and the North Koreans agreed in Geneva that the DPRK is to freeze its nuclear program and dismantle its graphite reactors, receiving in exchange light-water reactors, which are safer from the point of view of the nonproliferation of nuclear weapons.

An international consortium is to be set up under the leadership of the United States to undertake the construction of two light-water reactors in the DPRK. All the signs suggest that these reactors will be purchased from South Korea. But such a turnaround effectively reduces Russia's participation in this project to a minimum.

At the same time, Moscow and Pyongyang at one time signed an agreement on the construction of a nuclear electric power station on North Korean territory. When Pyongyang announced that it was withdrawing from the Nuclear Nonproliferation Treaty, President Yeltsin gave orders for the suspension of the implementation of this program.

Now it turns out that Russia, which strictly fulfills its international obligations, is to be virtually squeezed out of the nuclear market. And meanwhile, given IAEA [International Atomic Energy Agency] guarantees and sources of funding, the Russian-Korean agreement might have been unfrozen. Moscow is capable of delivering the required light-water reactors sufficiently quickly.

In addition, it follows from the Geneva agreements that special inspection by the IAEA, which is necessary for the world community to breathe easily, is to be postponed for five years. And yet this whole nuclear furor began with a demand to verify that there were no hidden reserves of weapons-grade plutonium in the DPRK. And it was the United States that demanded inspection, after which the nuclear situation in the DPRK began to be discussed in the IAEA and the UN Security Council.

Now the United States has effectively freed North Korea from the necessity of complying with the rulings of the Security Council and the IAEA's Board of Governors.

In the opinion of Moscow's specialists, the agreement between Washington and Pyongyang undermines nuclear nonproliferation regulations and sets a bad precedent: Dictators realize that blackmail can be successful, that it is not difficult to bargain for themselves major political and economic concessions in exchange for just a promise to fulfill their own international obligations.

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Political Issues

Yeltsin Satisfied With Duma Vote on Government

LD2810173194 Moscow INTERFAX in English 1540 GMT 28 Oct 94

[FBIS Transcribed Text] Boris Yeltsin is satisfied by the fact that the State Duma on Thursday managed to overcome heated emotions and took the decision necessary for the reforms, Interfax was told by Russian president's aide Viktor Ilyushin.

He said that the head of state had closely followed the debates on the report of the Russian prime minister. The president has always believed that the Cabinet should consist of top professionals, said Ilyushin.

He added, referring to discussing with Yeltsin the pace of debates in Duma, the president regrets that some deputies voiced familiar motives of former parliamentary heated debates. Moreover, the president believes that some of the deputies statements were abusive. But despite all this, the president is satisfied with the fact that responsibility, far-sightedness and common sense took the upper hand.

Yeltsin Not Planning To Address State Duma

LD2910171394 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 29 Oct 94

[FBIS Translated Text] The administration of the Russian president has not yet considered the possibility of Boris Yeltsin addressing the State Duma, Vyacheslav Kostikov, the press secretary of the head of state, told Ekho Moskvy in an interview. Let me remind you that a short while ago the parliament's lower chamber suggested that the president state his own viewpoint on the situation in the country.

However, according to Vyacheslav Kostikov, it is unlikely that the president will come to the Duma.

Opposition leader Sergey Baburin made these comments on the standpoint of the head of state in his interview with the Ekho Moskvy:

[Begin Baburin recording] I am not surprised. The parliament will swallow this pill as it has done on many previous occasions. It was naive to approach the president with the demand or request that he should make a speech on the socio-economic situation in Russia. The question of changing the economic policy will be put on the agenda once again when we seriously begin discussing the 1995 budget and if the president does not turn up, if he fails to do this by that point, Chernomyrdin's government will have a very slim chance of survival. [end recording]

Chernomyrdin on Duma Vote, Possible Cabinet Changes

LD3010230894

[FBIS Editorial Report] Moscow NTV in Russian at 1800 GMT on 30 October carries a 25-minute recorded interview with Russian Prime Minister Viktor Chernomyrdin by "Itogi" program announcer Yevgeniy Kiselev. The date and place of the interview are not given.

Kiselev asks Chernomyrdin whether he had been worried about the outcome of the recent confidence vote in the State Duma or whether he had been confident of a victory.

Chernomyrdin replies: "I thought that it would end the way it did." He explains: "However difficult everything may be, however complex the problems confronting us may be, I do not think that it is possible to change the government so easily today. I was aware that most of it was a result of the events that took place in October and, first and foremost, the fall of the ruble: the fall of the ruble, the price increases, and the outburst of emotions. I am not simplifying things, and I am not seeking self-justification.

"I said this in my report, and I say it now: The government is primarily responsible for these events. To me, my own assessment of these developments comes first. We have assessed them, and I am sure we will draw important conclusions from them. In any case, however—at least this is my personal view—I do not think that now, at this stage, there is any need to change the government."

Asked whether there will be any government reshuffle, Chernomyrdin replies: "You know, changes will occur in any event; there would still be changes, even if nothing in particular was happening and things proceeded in a normal, intensive working rhythm."

Chernomyrdin says that the replacement of the agriculture minister was a step planned long beforehand. Kiselev asks if Pavel Grachev, Andrey Kozyrev, Anatoliy Chubays, and other ministers might have to resign because some factions were demanding it.

Chernomyrdin answers: "I do not see any need for change at this stage. In the future, when we have parties with mass membership—parties that have real influence in our state—then the situation will be different."

He continues: "Today, there are representatives of several parties working in the government, but this does not concern me at all. I am not at all interested in this." Chernomyrdin adds that he had chosen Aleksandr Nazarchuk as the new minister of agriculture because he was an excellent professional, and the fact that he belonged to the anti-government Agrarian Party was of little importance to him.

Kiselev then asks Chernomyrdin whether he thought the government draft of the 1995 federal budget was viable. Chernomyrdin replies: "In my opinion, the version we proposed has two aspects: first, it is really tough, and second—which is also very important—it is realistic. It is based on the real situation."

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Chernomyrdin then says the government needs to take a definite stance instead of merely "patching the holes in different places."

Kiselev asks the prime minister whether his cabinet agreed on all issues, or whether there was a split as the press was suggesting.

Chernomyrdin replies: "When we were discussing the draft budget for the last time, all ministers and representatives of practically all departments spoke in the discussion, and not a single department, not a single minister, spoke against the draft. Not a single one of them."

He continues: "No, there are no disagreements today. At least, at this moment, at the time of this meeting, I am not aware that anyone of them holds a different opinion."

Kiselev then asks Chernomyrdin to comment on the recent rumors about his possible resignation and to identify the forces trying to shatter his confidence through this method.

Chernomyrdin answers: "As for Chernomyrdin's loss of confidence, this is out of the question. They cannot unsettle me by such methods. For me to start fidgeting, to become nervous, and to try to do something about it, this is simply impossible. As to destabilizing and agitating the public, however, I think this aim has been achieved."

He adds: "I do not suppose anyone thinks that Chernomyrdin is planning to remain chairman forever. By the way, this is hard labor [katorzhnyy trud] It always surprises me that someone actually wants to do it. Especially those who say directly: I want to be a prime minister. I have no explanation for that."

Chernomyrdin then says that he held a meeting with the leaders of the parliamentary factions after the Duma session and discussed cooperation between them and the government. He adds that there was nothing mysterious about his recent meeting with Yuriy Skokov, the chairman of the federation of producers, and says that they simply discussed some matters following the producers' congress. Chernomyrdin says Skokov has no intention to become a government member.

Chernomyrdin goes on to say that the rumor about Yegor Gaydar being offered the post of finance minister was unfounded. He says: "This was not discussed with me. It is unlikely that there is anything to it. It must be someone's wishful thinking."

Chernomyrdin refuses to tell Kiselev who will be the next finance minister, and adds: "You will soon know. This may be announced even as early as next week."

Finally, Kiselev asks Chernomyrdin if his stressful experience in the Duma has not hurt him as a human being.

Chernomyrdin replies: "I have been in executive positions for many years, and I have been brought up in such a way that I do not take offense when I am criticized for what I have really done wrong. However, when people—I am loath even to speak about this—of course, I feel bruised when people drop all their inhibitions without even knowing the situation, let alone knowing how to do it themselves. I also feel bruised because often I have no opportunity to hit them back. I really want to at times!"

Kozyrev on Government Confidence Vote

LD3010153594 Moscow INTERFAX in English 1350 GMT 30 Oct 94

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev said he believed that the recent voting on confidence in the government in the State Duma did not prove that instability was growing in the country and would not decrease foreign investments into the Russian economy. Kozyrev told an Interfax correspondent before leaving Moscow for Morocco today that voting on confidence in the government was a natural thing for democratic countries.

(In Morocco Kozyrev will take part in an international conference of the Middle East and North African heads of state on economic cooperation).

Kozyrev said he believed that the West must not be concerned over the fact that the State Duma had voted on confidence in the government. He stressed that Russia had "two pillars" on which stability rested which were the president and the Constitution.

Kozyrev said he was against voting no confidence in the government.

Commenting on the move of Russia's Choice which had voted no confidence in the government because of including in it a representative of the Agrarian Party, Kozyrev said that he was not a member of any party though he sympathized with the bloc of the democratic factions. He said that every time when he had some discord with Russia's Choice he recalled that he had been elected to the State Duma from the Murmansk Region and not from a party ticket.

Shokhin on Results of Duma 27 Oct Vote

LD2810123094 Moscow Radio Rossii Network in Russian 1100 GMT 28 Oct 94

[FBIS Translated Text] What does the government feel like after yesterday's vote? Our parliamentary correspondent Yevgeniy Zherebenkov interviewed Deputy Prime Minister Aleksandr Shokhin immediately afterwards.

[Begin Shokhin recording] There were too many attempts to postpone the vote and I was afraid that, God forbid, the no- confidence vote in the government would not take place. If this had happened and the deputies had succeeded in postponing the vote by two or three weeks, it would have been the worst development because we would have had a period of uncertainty, a period of pressurizing the government and the president with

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various exchanges, and so forth. I think that would have been the worst option. These apprehensions existed until the last moment, but everything was carried out in accordance with procedure.

By the way, the abundance of resolutions—six resolutions—which appeared throughout the day shows that the various factions, including those who raised the question of no confidence and supported it, were not sure that the vote would take place. They tried to tone down the motion, for instance, to reprimand the government or to demand that the president speak. But, thank God, everything was in strict compliance with procedures, and finally I think that everything went as forecast.

Of course, there are things to work upon. We should now transfer the discussion of the draft budget into the practical and constructive sphere. We have plenty to work on jointly with the State Duma committees. Literally in the next few days, we should get the budget approved. Technicality we can regard the budget as being adopted and start working with it. [end recording]

Comments on Talk With Chernomyrdin

LD2810182394 Moscow INTERFAX in English 1642 GMT 28 Oct 94

[FBIS Transcribed Text] Russian Deputy Prime Minister, one of the leaders of the parliamentary faction of the Party for Russian Unity and Concord, Aleksandr Shokhin, said the State Duma resolution recognizing the government's performance as unsatisfactory was not "unexpected." "The main thing is the reaction of the president and the prime minister. I hope than neither will allow any clumsy movements which would affect the implementation of the government- outlined course," he pointed out in an interview with Interfax Friday.

Speaking on possible reshuffles in the government, Shokhin said he had talked it over with Prime Minister Viktor Chernomyrdin. Shokhin told Chernomyrdin that he could accept a structure when the prime minister would have three deputies with portfolios. "If there are six of them, as now, each of them must be holding a minister's office," he believes.

Shokhin said it was wrong that two persons were responsible for the same scope of issues as, for instance, Deputy Prime Minister Aleksandr Zaveryukha and newly appointed Agriculture Minister Aleksandr Nazarchuk, both of them supervising agriculture.

Shokhin believes a minister's office is necessary for Deputy Prime Minister Sergey Shakhray, responsible for ethnic relations, and First Deputy Prime Minister Oleg Soskovets, for whom a ministry for industries and trade should be created.

According to Shokhin, Chernomyrdin listened to all these proposals "in silence."

Davydov, Sidorov View Duma Confidence Vote

LD2810145794 Moscow ITAR-TASS in English 1436 GMT 28 Oct 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[FBIS Transcribed Text] Moscow October 28 TASS—The Duma's confidence vote is a constructive decision that enables the government to continue the reforms, Russian Minister for Foreign Economic Relations Oleg Davydov told BUSINESS-TASS here today.

Bearing in mind the number of deputies who opposed the confidence vote, it is necessary to change the government policy in the economic and some other respects, said Davydov.

He also voiced the need to "improve relations between the government and the State Duma in order to continue the reforms".

In his turn, Minister of Culture Yevgeniy Sidorov positively estimated the Duma's resolution and noted that "government resignation and a sharp change in social-economic policy under current conditions would mean nothing but chaos". He said it is time to prepare for 1995-1996, the decisive years for Russian future.

The State Duma has recognized the government social-economic policy and the economic reform as unsatisfactory and not corresponding to expectations of the majority of Russian residents, reports the ITAR-TASS parliamentary correspondent. A Duma resolution to the effect on Thursday's report of Viktor Chernomyrdin was adopted today. The resolution was supported by 235 deputies.

Shumeyko Regrets Deputies' Lack of Confidence

LD2810183694 Moscow INTERFAX in English 1642 GMT 28 Oct 94

[FBIS Transcribed Text] Chairman of the Federation Council Vladimir Shumeyko expressed regret that few deputies of the State Duma at the session on October 27, voiced confidence to the government. He made the statement in St Petersburg on Friday at the meeting with Vice President of the Council of Europe's parliamentary assembly Gerhard Reddemann.

Shumeyko said that the results of the voting will affect the meeting of the CIS Interparliamentary Assembly to open on October 29, because, he believes, the CIS countries closely follow the changes in Russia.

Shumeyko told Reddemann that deputies of the upper house were unable to approve Aleksey Ilyushenko at the post of Prosecutor General not for political reasons. Many of them, said Shumeyko, do not want to vote for the candidature of the Prosecutor General unless a relevant law is adopted. At present the draft document was submitted to the State Duma, said the speaker.

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Shumeyko said that the formation of the Constitutional Court will be finished at the next session of the upper house.

Yeltsin Testimonial for Ilyushenko Published

MM2810125794 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 28 Oct 94 p 2

[Reprint of Russian President Yeltsin testimonial on A.N. Ilyushenko sent to Federation Council Chairman Shumeyko: "Lenin Would Not Even Have Given Tsurupa That Kind of Testimonial"—last paragraph is NOVAYA YEZHEDNEVNAYA GAZETA comment]

[FBIS Translated Text] To V.F. Shumeyko, chairman of the Federal Assembly Federation Council

I am assuming that Aleksey Nikolayevich Ilyushenko, acting general prosecutor of the Russian Federation, will be appointed general prosecutor of the Russian Federation and I hope that members of the Federation Council will back A.I. Ilyushenko's candidacy.

In the time in which A.N. Ilyushenko has been acting general prosecutor he has proved himself to be a competent and principled leader, capable of boosting the standard of work of prosecutor's office organs in strengthening legality and law and order. In the fight against crime there has been an appreciable increase in the organizational role played by the prosecutor's office and the coordination in the actions of law-enforcement organs. Concrete steps are being taken to improve the work of the investigative apparatus and achieve real results in suppressing organized violent crime, preventing and suppressing mercenary abuses and corruption, and defending citizens' rights.

A.N. Ilyushyenko knows the prosecutorial system well, he takes a self-critical view of its current standard, is insistently striving to improve oversight, and is vigorously organizing cooperation between the prosecutor's office and organs of power and government.

[Signed] Russian Federation President B. Yeltsin
[Dated] The Kremlin, Moscow, [figure illegible] October 1994

We would remind you that this is about a man who was found guilty of fabricating the criminal case "on trusts."

Yeltsin Press Service Denies Meeting With Premier

MK2910114094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Oct 94 p 1

[POSTFACTUM report under the "In Brief" rubric: "There Was No Urgent Meeting"]

[FBIS Translated Text] The Russian president's press service has denied a rumored urgent meeting of the president and the prime minister in connection with the passing by the State Duma of the decree on the unsatisfactory work of the government. The press service advises that next week there will be a "planned weekly meeting" between Boris Yeltsin and Viktor Chernomyrdin, and it has been stressed that the president's meetings with the prime minister are of "a regular nature" and that as a rule they discuss "all urgent questions."

Gaydar Cites Yeltsin 'Enemies'

LD2910182094 Moscow Radio Rossii Network in Russian 1700 GMT 29 Oct 94

[FBIS Translated Text] Yegor Gaydar, leader of Russia's Democratic Choice party and of the Russia's Choice faction in the State Duma, is catergorically against his party becoming an opposition party to Russian President Boris Yeltsin. Speaking to activists today from the Moscow organization the Democratic Russia Movement, he also said that he has some complaints regarding the president, Interfax reports. Gaydar believes many people in Yeltsin's administration are against the president, and that his popularity has declined. But joining the opposition, Gaydar said, would not only mean presenting a gift to the president's enemies—the communists and nationalists—it would also lead to an even bigger rift in the democratic movement.

Government Seen as Yeltsin Plaything in Duma Vote

MK2810121094 Moscow SEGODNYA in Russian 28 Oct 94 p 1

[Article by Sergey Parkhomenko under the "Power" rubric: "Opposition Proves Impotent. Duma Debate Enriches Premier With Impressions"]

[FBIS Translated Excerpt] "I, of course, have very many impressions...," the premier conceded to the parliamentarians once the Duma debates were over and minutes before a no-confidence vote whistled by 32 votes over his head. [passage omitted]

Phrases like, "You are all, of course, no good at all, but you are beside the point, we would rather throw out some bigger men," were heard endlessly from the Duma podium. Implied or hinted at in the speeches of the "reform wing" politicians, they were quite distinct all the same. In the speeches of reactionaries, frank or shy, they were heard as a clear, striking, furious theme. That is the whole difference. Grigoriy Yavlinskiy's address, which at first appeared rather original and unexpected, actually only summed it all up: "Every time we say 'government,' it implies 'the president'...."

The whole point is: The government yesterday had all grounds to feel like a speechless and helpless toy in the planned fun which the administration and parliament jointly intended to have. The president's replacement of the agriculture minister, made as if in passing, provided an excellent illustration of the already approved rules of this game.

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There are, however, no doubts whatever that the current government of Russia does not absolutely deserve so disdainful a treatment. Its real weight and political authority does not qualify it at all to remain passive. And if the president intends to continue haggling cynically and in cold blood with the opposition, trading ministerial positions for a brief appeasement of indomitable speakers in parliament, the current cabinet should at least have a firm idea of what precisely the head of state dreams of netting at this price. [passage omitted]

Zhirinovskiy on 'Liberal Dictatorship,' 'Coup'

LD2810131394 Moscow ITAR-TASS in English 1232 GMT 28 Oct 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow October 28 TASS—"People who have real power in Russia now, in the near future will not manage without "liberal dictatorship," said leader of the LDP faction, Vladimir Zhirinovskiy, at a news conference held at the State Duma today.

Zhirinovskiy believes that after the Duma failed to pass a no- confidence vote in the government, the president will dissolve the Cabinet of Ministers or at least "Prime Minister Chernomyrdin will be dismissed". Zhirinovskiy believes that such figures as Anatoliy Chubays and Andrey Kozyrev will remain in the cabinet.

Zhirinovskiy went on to say that "By changing the government the president will make a fatal mistake, since he is no longer needed by forces in the United States and other countries, who orchestrate the development of the situation in Russia." They need a different team, easy to deal with and which will be able to remain in power provided there is liberal dictatorship in the country," he said.

"Such dictatorship will be established in Russia after a pseudo coup in the army led by an alleged patriot, who, in fact, will be a general instructed in the United States, Zhirinovsky said. "This will be followed by the fifth consecutive reorganization of KGB after which the counter-intelligence service will be fully taken under the U.S. control," he said.

"It is impossible to make Americans change their minds. Their main goal is to do away with Russia, since Russia is their main rival," he added.

'Yabloko' Calls for 1995 Presidential Election

MM2810151794 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 28 Oct 94 p 2

[Statement by "Yabloko" faction signed by G. Yavlinskiy and dated 27 October 1994: "'Democracy in Russia Can Be Built Without Yeltsin'"]

[FBIS Translated Text] The editorial office has received a statement by the "Yabloko" faction, which says in particular:

The "Yabloko" faction will not take part in the vote on the question of no-confidence in the Russian Federation Government.

The bankruptcy of the incumbent government is obvious to everyone. However, in the present conditions we consider the raising of the question of no-confidence in the government to be a political stunt. Under the present Constitution it is pointless to consider the question of the government separately from the question of the president. We think that cadre reshuffles in the government will only create the semblance of a solution to the crisis but will be unable to improve life in the country.

Given the president's total unpreparedness for any reasonable change in the government, voicing no-confidence in Chernomyrdin's cabinet and its resignation would only be a "miscalculation." Why change the government if everything that President Yeltsin has of late personified survives?

In effect a certain historical period in our country's development has come to an end. Without belittling B. Yeltsin's contribution to the destruction of the totalitarian regime in Russia, as the democratic opposition we consider our mission complete and our reformist potential exhausted.

President Yeltsin is committing flagrant political miscalculations with growing frequency, increasingly losing touch with citizens and the democratic public, moving further and further away from the course of developing real democracy and market reforms, surrounding himself with people with a tarnished reputation, and flirting with blatantly reactionary forces (...).

As a result there is once again a threat of events taking an unconstitutional turn.

Therefore we consider it necessary to introduce amendments to the Russian Federation Constitution this year, which will make it possible to place the authorities to a greater extent under society's control, and hold presidential elections in 1995.

Democracy in Russia can be built without Yeltsin.

[Signed] G. Yavlinskiy
[Dated] 27 October 1994

Young Russia Party Formed; Party Leader Named

LD2910230094 Moscow Radio Rossii Network in Russian 1800 GMT 29 Oct 94

[FBIS Translated Text] A new party is being created in Russia. It is calling itself the Young Russia party [Molodaya Rossiya]. The party leader, Sergey Lebedev, a 27-year old former banker, stated at a news conference in Moscow today that the new socio- political organization

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will not be oppositional. At the same time, it does not intend to support the present government unconditionally. Sergey Lebedev stressed in an Interfax interview that he will attempt to bring together in the new party young entrepreneurs, so that by their joint efforts they can build a new Russia with a socially oriented market economy. Speaking of relations with other political parties and movements, Lebedev noted that Young Russia is ready to cooperate with everyone adopting the position of non-violent campaigning methods.

RSDU Holds Founding Congress

LD3010120294 Moscow ITAR-TASS in English 1129 GMT 30 Oct 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow October 30 TASS—Unification of Social Democratic forces and initiation of a strong labour movement which would provide a "third way" for Russia are pronounced as goals of the Russian Social Democratic Union (RSDU) which opened its founding congress in Moscow today.

The RSDU congress is attended by a total of 150 delegates from the Russian Social Democratic Popular Party (RSDPP), the Russian Social Democratic Party, the Russian Social Democratic Centre, the Russian Labour Party, other organisations and trade unions.

The initiator of this cluster of Social Democratic parties, all without influence, is RSDPP Chairman Vasiliy Lipitskiy, who defected from his party boss Aleksandr Rutskoy. Lipitskiy said in an opening address that the Russian Social Democrats offered a "third way" for the country: They accept neither restoration of the past nor "drastic revolutionary reformism." "In the present situation, Social Democracy cannot afford not to oppose the existing power," Lipitskiy added.

The RSDPP chairman highly appraised contribution of Perestroyka leaders, in particular Mikhail Gorbachev, to Social Democratic ideas in Russia. He said Gorbachev initiated democratisation of the Communist Party. The former USSR president, attending the congress as a guest, was greeted with applause. He had previously told reporters that he would not join the RSDU but wanted to support Social Democratic ideas.

A leader of the Russian Social Democratic Party, Aleksandr Obolenskiy, pronounced "non-violent removal of the regime from power" a strategic goal of the RSDU opposition. Obolenskiy thinks the best options for that are convention of a constituent assembly, subsequent early elections and the formation of a coalition government.

Chairman of the Russian Social Democratic Centre Oleg Rumyantsev said the only peaceful constitutional way to replace the Russian power was to hold a population-elected constitutional assembly. He said Social Democrats previously failed in their bids because they "could not find their image." Rumyantsev argued that the Social Democrats should not co-opt for power, as certain parliament leaders do" but rather unite oppositional "social, socialist and responsible patriotic forces," filtering off extremists.

Chairman of the Russian Independent Trade Union Federation Mikhail Shmakov said unions, "equally distant" from all parties so far, were now considering with which political force to relate their fate. Shmakov said the programme of the RSDU best appealed to the unions.

Rules and a programme for the RSDU, draft declarations and other documents were put up to for discussion.

Local Government Elections Show Low Turnout

LD3010160994 Moscow ITAR-TASS in English 1554 GMT 30 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Moscow October 30 TASS—Sunday's elections to governing bodies of various levels in Russia have failed to score a high turnout, according to an official of the Russian Central Election Committee.

As of 15:00 on Sunday, only 19.94 per cent of eligible voters came to the polls in the Mytishchi constituency outside Moscow. As of 14:00, the total turnout in St. Petersburg's 25 constituencies made up some 18 per cent in by-election to fill the 25 vacant seats in the city assembly.

In the Ivanovo Region, northeast of Moscow, only 23.55 per cent of the qualified voters cast their ballots, while the corresponding figure in the Kaluga Region south of Moscow made up 14.28 per cent.

The turnout was a little higher in the Yamal-Nenets National Autonomous District, where 29.43 per cent of the qualified voters came to the polls. The highest turnout of 35.90 per cent was registered in election to the Tyumen regional duma in western Siberia.

Valid Election Held in Moscow Electoral District

LD3010181094 Moscow INTERFAX in English 1702 GMT 30 Oct 94

[FBIS Transcribed Text] Elections to the State Duma were held in the 109th Mytishchi electoral district, the local electoral commission told Interfax on Sunday.

By 18:00, October 29, 26 percent of the electors had cast their votes, which, in accordance with the Provision on Elections, approved by the president on October 1, 1993, is sufficient for recognizing the elections as held.

The vacancy appeared after Deputy Andrey Aidzerdzis, who represented the Mytishchi electoral district, was

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killed on April 26. A total of 12 candidates took part in the election campaign, among them President of the MMM joint-stock company Sergey Mavrodi who was arrested for charges of tax evasion and was recently released from prison as a candidate to the deputy's post.

The press service of Mavrodi's staff circulated a statement on October 29 which says that according to its sources, "the electoral commission has been given clear-cut instructions to falsify the results of the elections" to prevent Mavrodi's victory.

The local electoral commission is to start counting votes at 22:00 after the closure of the polling stations.

Leader of the Liberal Democratic Party and its faction in the State Duma Vladimir Zhirinovskiy will act as a member of the electoral commission with a consultative voice, on behalf of Mavrodi.

Gorbachev Expresses Support for Social Democracy

LD3010204694 Moscow NTV in Russian 1800 GMT 30 Oct 94

[FBIS Translated Text] Russia's numerous parties which fall into the general category of social-democratic today held their unification congress and established the Russian Social-Democratic Alliance. Mikhail Gorbachev, who was there as a guest, said at the start that he strongly supports the social-democratic idea.

[Begin Gorbachev recording] In my time I failed to bring the reform of the Communist Party of the Soviet Union [CPSU] to this stage, but the final program, had it been accepted in 1991 at the emergency congress, was social-democratic by nature. [end recording]

[Correspondent Ivleyev] Vasiliy Lipitskiy, one of the founders of the new alliance, urged those present to distance themselves from both the party of big capital, which is ruling today, and from the radical party of the rejected and the insulted, that is, from the opposition. In his view, social democrats should follow their own third path.

It instantly emerged, however, that the alliance which is just being set up is already split. Oleg Rumyantsev, the other leader of social democrats, does not agree with following the third path. He is appealing to everybody to choose path number two and a half—that is, to unite with the opposition in an effort to peacefully change the powers that be. Such a union should involve everyone except extremists.

Here Mikhail Gorbachev helped again, assuming the role of the Alliance's guardian angel. His view is that in spite of differences the social-democrats should unite; only then they will become a genuine centrist political force. Then the ex-president explained his dislike of another union of social democrats which is being set up simultaneously by [?Yegor] Yakovlev, [Gavriil] Popov, and [Yevgeniy] Shaposhnikov.

[Begin Gorbachev recording] This is in fact the implementation of an instruction of the president's staff, perhaps even of the president himself: to set up what one might call a pocket party with a social-democratic hue, and use it as a tool to help pursue the course which society by and large does not accept. I must say that it amazes me to see that people have fallen for such political action. This is a modern version of Gapon's policies [Gapon—20th century czarist spy]. [end recording]

[Ivleyev] Gorbachev again emphasized the need for an early election. However, he declined to say whether he himself would run for the president.

[Begin recording] [unidentified journalist] Journalists are trying to find out whether you will take part in the presidential elections. Maybe we today...

[Gorbachev, interrupting] Have they succeeded in finding out?

[Journalist] No. [laughter]

[Gorbachev] Neither will you. Let us first decide whether there is to be an election, and then the rest. [end recording]

Economic Issues

Yeltsin Nominates Paramonova for Central Bank Head

LD2810182194 Moscow ITAR-TASS in English 1709 GMT 28 Oct 94

[FBIS Transcribed Text] Moscow October 28 TASS—A letter of Russian President Boris Yeltsin sent today to Duma Speaker Ivan Rybkin presents Tatyana Paramonova as a candidate to the post of the Central Bank chairman, reports the presidential press service.

Prime Minister Viktor Chernomyrdin was appointed special presidential representative to a Duma session to discuss the nomination of Paramonova.

Tyatyana Paramonova is the acting Central Bank chairman appointed to this post by a presidential decree of October 18 after resignation of Viktor Gerashchenko. Paramonova used to be deputy Central Bank chairman.

Gaydar Expresses Support for Budget

LD2910225494 Moscow Radio Rossii Network in Russian 1800 GMT 29 Oct 94

[FBIS Translated Text] Yegor Gaydar, leader of Russia's Democratic Choice Party and of the Russia's Choice faction in the State Duma, has said that the draft 1995 budget presented by Viktor Chernomyrdin on 27 October is a radical turnabout in economic policy. Addressing activists of Moscow's Democratic Russia Movement organization on Saturday, Gaydar noted that enormous willpower and a high level of professionalism

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will be needed to implement the draft budget. According to the Russian Democratic Choice leader, his party and faction are ready to help the prime minister with advice and to give him political support.

At the same time, INTERFAX reports, Yegor Gaydar noted the striking contradiction between Chernomyrdin's brilliant monetarist speech in the State Duma and the appointment on the same day of Aleksandr Nazarchuk, one of the leaders of the Agrarian faction, as agriculture minister.

Yeltsin Amends Edict on Precious Metals, Jewelry

LD2910131694 Moscow ITAR-TASS in English 1302 GMT 29 Oct 94

[By ITAR-TASS]

[FBIS Transcribed Text] Moscow October 29 TASS—Russian President Boris Yeltsin amended his decree "on enhancing governmental control over issue and sales of precious metals and jewelry" of June 3, 1993, his press service reported on Saturday.

According to the amended decree, the state fund shall not issue precious metals, including gold, and jewelry for operations on domestic and foreign markets in the amounts, which exceed the limits established in the annual production plans approved by the government of the Russian Federation, and for the purposes which are not envisioned in these plans, unless the president gives a sanction based on government's presentation.

This reservation applies to issue of "other precious metals and jewelry".

ITAR-TASS Reports on 27 Oct Trade Union Protests

LD2810112694

[FBIS Editorial Report] Moscow ITAR-TASS World Service in Russian at 1639 GMT on 27 October transmitted a round-up of protest rallies in various Russian regions on 27 October in support of the nationwide day of action called by the trade unions.

Reporting from Cheboksary, ITAR-TASS said that many thousands of people took part in a rally in the Chuvash capital Cheboksary to protest unemployment, wage arrears, and the demise of domestic production. Chuvash President Nikolay Fedorov and Republican State Council Chairman Valentin Shurchanov addressed the rally.

Reporting from Petrozavodsk, ITAR-TASS said that Gennadiy Salaponov, chairman of the Karelian council of trade unions, told a rally of about 1,000 people in Petrozavodsk that a third of Karelians are living below the poverty line due to price hikes. The situation is worsened by delays in the payment of wages. The rally adopted a resolution demanding that the Karelian authorities urgently change the course of the reforms and settle wage arrears.

Reporting from Tambov, ITAR-TASS said a "huge crowd" gathered at a rally in Tambov to demand the resignation of Russia's president and government. Opposition deputies from the local town and regional duma addressed the rally.

Reporting from Tver, ITAR-TASS said that about 10,000 people took part in a protest rally there. Speakers called for guaranteed social protection for children and pensioners and spoke of difficulties with price hikes outstripping wage increases.

Reporting from Bryansk, ITAR-TASS said a rally there called for reform policies to be changed. A resolution sent to the Russian Government and president and to the regional administration called for wage arrears to be settled immediately, the collapse in industrial production to be averted, and mass unemployment prevented. According to militia estimates, under 2,000 people took part in the rally, which lasted less than an hour.

Reporting from Voronezh, ITAR-TASS said 15,000 people gathered at a rally there to demand the resignation of the government and president, immediate payment of wage arrears, and measures to limit unemployment.

Reporting from Novgorod, ITAR-TASS said about 5,000 protesters met in Novgorod to demand pre-term presidential elections and express lack of confidence in the government. Speakers drew attention to the slump in production, unemployment, low living standards, and wage arrears exceeding 7.5 billion rubles.

Reporting from Lipetsk, ITAR-TASS said protesters there concentrated on the fall in living standards and wage arrears, which amounted to over 40 billion rubles on 1 October.

Reporting from Penza, ITAR-TASS said that about 6,000 people took part in a protest rally there. Speakers noted that 26,200 people are currently officially registered as unemployed in the region and that 54.3 percent of the people in the republic are living below subsistence level.

Unemployment Up Two Percent on 1993

LD2810204194 Moscow ITAR-TASS World Service in Russian 1309 GMT 28 Oct 94

[By ITAR-TASS correspondent Liliya Kuznetsova]

[FBIS Translated Text] Moscow, 28 Oct—Over the first 9 months of 1994, a total of 70.2 million of Russia's inhabitants were employed in the economy. Compared with the same period in 1993, the figure was down by almost 2 percent, the ITAR-TASS correspondent was informed by the press service of the Russian Federal Employment Service [FES].

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In addition, FES specialists estimate that a further 4.6 million people are threatened with redundancy. These people have been employed on a short working week or have been on unpaid or partly paid holiday.

Over the period in question, between 4.7 million and 5 million people came on to the labor market. FES specialists consider that the extreme financial instability, the drop in the volume of industrial output, the payments crisis, and enforced production stoppages have contributed to this. Of the total number of those who lost their jobs, over 2.3 million people turned to the state employment service bodies. This is a 60-percent increase on the same period last year. Unemployed status was granted to 1.8 million people and 1.6 million were given the opportunity to receive unemployment benefit.

Old Age Pensions To Be Increased by 1.2 Times

LD2910162794 Moscow INTERFAX in English 1347 GMT 29 Oct 94

[FBIS Transcribed Text] The Russian government intends to increase pensions to all Russian pensioners by 1.2 times from November 1 this year.

"This is the fourth indexation of pensions over this year which we carry out in accordance with the Decree on Pensions," Social Protection Minister Lyudmila Bezlepkina explained in an interview with Interfax.

"As a result, the average pension has increased by almost 2.5 times since this January and is to be 114,000 rubles in November," she said.

However, Bezlepkina does not think that the situation of pensioners is good. She described as troublesome the discrepancy between the minimum pension and the subsistence level which is permanently growing. In September the minimum pension with different benefits was 44,400 rubles and the subsistence level - 92,400 rubles. In November the minimum pension will be 46,000 rubles and the subsistence level will exceed 100,000 rubles.

Military & Space

Grachev Ends Tour, Returns to Moscow

LD2910065894 Moscow ITAR-TASS in English 0641 GMT 29 Oct 94

[By ITAR-TASS correspondent Pyotr Tsyrendorzhiyev]

[FBIS Transcribed Text] Ulan Ude October 29 TASS—Russian Defence Minister Pavel Grachev has concluded his two-day tour of the Far East and the Transbaykal region and left Buryatia for Moscow on Saturday.

During the tour the Russian defence minister listened to reports by the commander of the Transbaykal Military District and commanders of formations and units of the district. The minister visited also the Ulan Ude aviation plant where he familiarized himself with samples of a new generation of combat and transportation equipment for the Russian airforce.

Chita Court Suspends Grachev Order Dismissing Officers

LD2810145294 Moscow ITAR-TASS in English 1402 GMT 28 Oct 94

[By ITAR-TASS correspondent Andrey Fomin]

[FBIS Transcribed Text] Chita October 28 TASS—The military court of the Chita garrison has suspended the validity of an order of Russian Defence Minister Pavel Grachev. The order on pre-term dismissal of a group of Air Force officers and generals of the Trans-Baykal Military District was issued soon after summer's crash of a military cargo plane in the Trans-Baykal region.

The An-12 plane crashed on August 5 on the approaches to the airfield of the Bada settlement 200 kilometers west of Chita. All the plane passengers - 39 servicemen and two members of their families - and the six crew members, were killed in the accident. The Russian defence minister ordered to remove from their posts a number of senior officers, including Air Force commander of the Trans-Baykal Military District Lieutenant-General Anatoliy Vasilyev.

Six officers and generals did not agree with this decision and brought an action against Pavel Grachev and Air Force Commander-in- chief Petr Deinekin. In their opinion, the order is unjustified and was issued before the end of an investigation into the accident reasons.

A court session on the issue will be held on November 4.

Military Aspects of 1995 Budget Considered

MM2810163394 Moscow KRASNAYA ZVEZDA in Russian 28 Oct 94 p 1

[Article by Vladimir Yermolin: "Servicemen Are Also in Favor of Low Inflation in 1995. But Not At the Expense of Army's Disintegration"]

[FBIS Translated Excerpt] [passage omitted] A few words about the government version of the 1995 budget. The volume of revenue is forecast at 144.1987 trillion rubles [R] and the volume of expenditure at R213.2745 trillion. The budget deficit ceiling is R72.0761 trillion. This does not exceed the size accepted in world economics. Evidently the IMF will stir itself to give Russia real billions of dollars in credit.

What is it going to cost us military personnel to ensure that the gloomy inflationary expectations do not come true? Let me quote in full Article 3 of the draft federal budget for 1995 headed "National Defense" (in millions of rubles): Total sum—45,274,901.8; current maintenance of formations of all state defense systems—22,981,784.0; procurement of armaments and military equipment, special equipment, and communications

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facilities for military formations of all systems—8,442,000.0; carrying out research and development associated with national defense, law enforcement activity, and ensuring the state's security—3,769,220.0; capital construction and procurement of equipment in the Russian Defense Ministry system—6,138,162.0; servicemen's pensions—2,712,720.0; the Russian Atomic Energy Ministry's military program—1,016,635.0; mobilization capacities—200,740.1. Thus, R40.6 trillion and R45.2 trillion was allocated for the defense budget in 1994 and 1995 respectively, admittedly mostly on paper so far. Let me recall that a month ago at State Duma Defense Committee session there was discussion of R55 trillion (Finance Ministry) on the one hand and R90-plus trillion (Defense Ministry) on the other. I recall that they then intended to find a "golden mean." Which they did. Defense Committee Chairman Sergey Yushenkov believes that the government defense budget's merit is that this time there is hope that it can actually be implemented. I think that in time this merit could increase as the level of inflation increases. After all, even Viktor Chernomyrdin himself does not rule out such an unfavorable turn of events. Of course, an increase in defense expenditure has certain adverse repercussions in the world community. On which, incidentally, the fate of the promised loans depends. Why, people say, help them when—even though they are on their last legs—they arm themselves and build up their military might. But the whole point is that—and we Russians and especially we military people realize this—it is a question of an elementary "subsistence level." We need money not for new missiles but in order to give a military man the chance to keep his family decently and live in a normal separate apartment. That is the main thing. Second, you cannot explain to a nuclear reactor why there is not enough money to operate or salvage it. Because it too could "flare up." Combat equipment associated with weapons also demands delicate handling. It could happen that at the end of 1995 we will be rejoicing over a low, 1-percent level of inflation to the accompaniment of the death knell for the Russian Federation Armed Forces.

When I asked Colonel General Yuriy Rodionov for his assessment of the government version of military expenditure, the deputy replied: "Divide this sum by the current dollar rate and you will get the real money." There is no denying the truth of this—maybe even in the near future the "green horse" could turn the draft's trillions into real billions.

It is obvious that passions will reach boiling point over the budget presented in the Duma, and worst of all that active political trading will also begin. But let us hope for the best—for a sober discussion about national defense expenditure with facts and figures to hand. After all, that is why it is called national defense, because it concerns the interests not of one or two departments but of the whole nation, the whole of Russia.

As regards the government's future, it can be assumed here that the wind was pretty well taken out of its foes' sails when the premier was questioned. Someone asked: "Do you love Russia?," "Do you feel you have the moral right to lead the government?" Which were both followed by the exhaustive reply "I do." Unfortunately, many parliamentarians are streets ahead of any statesman in the sphere of asking rhetorical questions, prefacing them with confused speeches and political maxims. The results of the vote—whether or not to have confidence in the government—will become known by the time this issue goes to press. But it is not hard to work out that it suits only blatant adventurists to overthrow the entire government now. The State Duma has a diversity of people, but more often than not common sense still prevails there. The head of government was summoned to the Duma carpet merely so that he could be publicly given an "unsatisfactory" mark.

All in all a familiar picture—"unsatisfactory" again....

Ground Forces Chief on Dire Effects of Army Underfunding

MK2910095094 Moscow SEGODNYA in Russian 29 Oct 94 p 2

[Pavel Felgengauer report in the "Troops" column: "The Military Is Getting Ready To Fight for Monies. The Army Will Not Get Over Yet Another 'Hungry Year'"]

[FBIS Translated Text] At a press conference yesterday, General Vladimir Semenov, commander in chief of the Ground Forces, admitted that the situation in the army is extremely serious owing to totally insufficient financing. The Ground Forces alone owe suppliers nearly 1.5 trillion rubles for food, fuel, clothes, utility services, and so forth. Moreover, 1 trillion rubles' worth of long-term stocks left over from the Soviet era has been spent in the first nine months of 1994.

At present the army lives on credit, but this cannot go on forever. Housing construction has virtually stopped with the exception of those programs financed from the FRG state budget. No new arms are being purchased while old weapons are falling into disrepair with no money available to buy spare parts. By the year 2000—2005 at the most—Russia, according to the commander, will come to resemble Upper Volta.

In the first nine months of 1994, 10,000 officers have quit the Ground Forces, 4,700 of them under 30. Many have left for the Ministry of Internal Affairs, the Emergency Situations Ministry, and the border troops, where allowances today are twice as high. To remedy the situation somehow, as of this year forced reserves officer conscription for a two-year stint has begun among graduates of colleges that have a military training department. In the Ground Forces alone 5,695 men have thus been recruited. Today every other platoon commander in the Ground Forces is such a "two-year stinter" or, as they are commonly called in the army, a "partisan." An army platoon today has four or five men at the utmost,

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and, with a complete set of combat equipment, the poor partisan/graduates are having a hard time.

Clearly, the Russian Army will simply not be able to survive another hungry financial year as 1994. "Tell us directly," Gen. Semenov said, "'You are not wanted,' and then we shall decide our own fate."

Remembering the severe defeat in the struggle over the 1994 budget, the military began to prepare for the next one in good time. Today it is perfectly clear that in 1994 the government and the Duma have appropriated the military less money than necessary for the upkeep of the army, which has a great number of expensive modern weapons. True, it is not at all obvious that in 1995 the military budget will be basically different than this year.

The military cannot explain its needs to civilian society convincingly enough, and even when it is absolutely right, it is often made a fool of. The army has no reliable lobby either in the Duma or in the government. A civilian defense ministry would probably do better, but nobody knows when one will come around.

MOSKOVSKIY KOMSOMOLETS' titanic struggle against Pavel Grachev does not contribute to the army's success in the Duma either. Gen. Semenov said yesterday that the "falling authority of the Armed Forces leaders is resulting in the loss of authority by the entire army, all the generals." Incidentally, Vladimir Semenov noted, the decision announced by Pavel Grachev in the Far East to create territorial commands "is merely a proposal for the future," while he himself has a "mixed" attitude toward such ideas.

At the end of the press conference Gen. Semenov pointed out that although the presidents of Moldova and Russia last week signed a treaty on the withdrawal of the 14th Army within three years, "it is impossible to pull the troops out completely. The Dniester Region is inherently Russian territory," and therefore after the downsizing the 14th Army should be reorganized as a Russian military base. The current Moldovan constitution, however, forbids the creation of foreign bases on the republic's territory. Therefore the military is preparing for prolonged and tedious negotiations.

Results of Armed Forces Evaluation Detailed

MM2810132994 Moscow KRASNAYA ZVEZDA in Russian 27 Oct 94 pp 1, 3

[Review prepared by Lieutenant Colonel Yuriy Gavrilov: "The Army Is Having a Hard Time Today, But the Results of the Evaluation of Units and Ships Are Still Reassuring"]

[FBIS Translated Text] This can be seen from our correspondents' reports coming in from where the end-of-training-period performance evaluation is taking place. Its results are also reassuring, on the whole, according to the assessments of specialists from the high commands of the branches of the Armed Forces who have visited units and ships as evaluators. Although the final assessment is down to the Ministry of Defense Collegium.

So, what can be said about the way problems of combat readiness are being resolved toward the end of the training year?

Understandably, we cannot talk about all the units and ships where the personnel are today being tested for military maturity and skill. There probably would not be any point in doing so, for much of what we see today—good or bad—in one unit is frequently typical of others. Therefore let us dwell just on some aspects of the evaluation, in which the leadership of the Russian Ministry of Defense has participated particularly widely this year.

The Strategic Missile Forces—Colonel General Vladimir Muravyev, deputy commander in chief of the Strategic Missile Forces for combat training, remarked in conversation with our correspondent Aleksandr Dolinin that, despite all the difficulties which missilemen are having to experience today, they put up the very best showing in the evaluation. The inspection group under the leadership of Col. Gen. Boris Gromov, Russian Federation deputy minister of defense, gave a "good" rating to the two missile divisions which it evaluated and to the directorate of the large strategic formation commanded by Major General Vladimir Yakovlev. Summing up, Col. Gen. Gromov emphasized that he had not seen for a long time such a responsible attitude toward work as that displayed by the missilemen.

The results of the evaluation in a large strategic formation stationed in Siberia were also positive. Col. Gen. Igor Sergeyev, commander in chief of the Strategic Missile Forces, went there.

The main result of the evaluation of the Strategic Missile Forces was this: The personnel are capable of fulfilling tasks in line with their mission.

The Air Defense Forces—In the majority of cases combat training here was evaluated not by commissions of high staffs but directly by local commanders. The directorate of the commander in chief of this branch of the Armed Forces worked only among the troops of Moscow Air Defense District and in certain units of central subordination.

Our correspondent Aleksandr Ivanov reported that, summing up the evaluation in the capital's district, Aviation Col. Gen. Viktor Prudnikov, commander in chief of the Air Defense Forces, pointed to the personnel's successful fulfillment of the set tasks. Three anti-aircraft missile regiments performed combat launches of missiles on ranges. For the first time in the practice of evaluating alert forces with field firing they were controlled in the region of the range by alert-duty personnel of command posts with the help of an automated control system. The alert crews of the air fighter regiment

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commanded by Col. Anatoliy Utkin, which were scrambled by the Air Defense Forces commander, successfully intercepted and destroyed groups of unmanned target aircraft. In a complex jamming situation all targets were also hit by the crews of the antiaircraft missile regiments commanded by Col. Sergey Korniyenko, Col. Aleksandr Lavrenyuk, and Col. Vladimir Ustinov.

In speaking of the preliminary results of the evaluation it should be borne in mind that the past training year has been very difficult for the Air Defense Forces. A number of directorates of large strategic formations and combined units have been disbanded and reformed. Owing to the lack of finances (this branch of the Armed Forces owes various departments and organizations 100 billion rubles just for the troops' maintenance), problems of ensuring the combat training activities of units and subunits have been exacerbated, and it has become more difficult to resolve questions connected with maintaining combat and mobilization readiness. The fact that the annual flying time plan for air defense aircraft was only 37 percent fulfilled is tied to precisely this factor, in particular. Whereas just five years ago one antiaircraft missile regiment in every two used to go to the range for launches, now just one in every four does so.

The following point should also be mentioned. For a long time now the personnel of the Air Defense Forces have been under pressure of uncertainty and concern for the future destiny of their branch of the Armed Forces. In the opinion of specialists, this psychological aspect cannot fail to affect people's attitude toward service.

The Ground Forces—This, the largest branch of the Armed Forces, which has practically all the types of weapons now in existence, probably reflects most fully the state of the troops as a whole.

To judge from the reports by our correspondents Oleg Bedula and Aleksandr Bugay from the Volga Military District, for example, the positive experience accumulated in the district and the shortcomings exposed are characteristic of the majority of large strategic formations and combined units.

The evaluation there was carried out by a Defense Ministry commission headed by Col. Gen. Georgiy Kondratyev, Russian Federation deputy minister of defense. It showed that the operational and combat training plans were largely fulfilled, but not to the same standard everywhere. Serious shortcomings were exposed in individual units. True, as Col. Gen. Kondratyev remarked, these shortcomings have both subjective and objective causes. The transfer of a number of units and combined units to the district's territory from Germany and countries in the near abroad and the continuing reorganization of troops require new approaches to the planning of combat and operational training. At the same time in some places the content of exercises and training sessions was monotonous and was drawn up regardless of local conditions, the officers' level of training, and the staffs' coordination. The principle of a consistent transition from easy to more complex exercise content was violated in training. Many officers displayed poor staff culture. Attention to nighttime fire training in the district has been slackened.

At the same time, in assessing the state of affairs, Col. Gen. Kondratyev noted as a positive point the fact that a lot of construction is being carried out in the Volga Military District, including apartments for officers and ensigns. But the housing problem is acute. Over 100 units, combined units, and establishments have come to the district over the past three years. Today 13,531 servicemen do not have their own apartment. This year it had been planned to house 5,500 families of officers and ensigns. But so far just 3,293 have moved in. They could have constructed considerably more housing in the district, but funds are lacking.

For this same reason—lack of finance—the problem of maintaining combat hardware has become acute in the Siberian Military District, so our correspondent Aleksandr Veklich reported.

Here there is another typical problem for the troops. There are quite a few units in the district which have only officers. But a way out has been found: The combat training plans have been amended in such a way as to concentrate the main effort on improving the professional expertise of the officer personnel. Comprehensive training sessions have been put into practice. Battalion, company, and platoon commanders have honed the skills of driving combat vehicles and mastering small arms within composite officer crews and subunits. The final exercises showed that the standard of training of officer personnel has increased appreciably compared with last year.

Nevertheless, in summing up the evaluation in the district, Col. Gen. Vladimir Semenov, commander in chief of the Ground Forces, emphasized the urgent need to increase attention to the professional training of officers. For this, however, it is necessary to create elementary normal conditions for the vital activity of officer personnel. We will thereby preserve the Russian Army's trained officer cadres capable of showing initiative and resourcefulness both in resolving questions of combat training and in the everyday activities of subunits and units.

There is no denying that the problem is extremely urgent, if you consider the fact that the Army and Navy are becoming younger. In the Volga Military District, for example, 86 percent of the officer personnel today are under 40. Another fact: Servicemen below the age of 30 make up over 50 percent of the officers of the 2d Tank Army (relocated from the Western Group of Forces) discharged this year. In the opinion of the evaluators, the declining competence and exactingness of commanders at all levels is associated precisely with this factor, as evidenced, in particular, by the results of final training sessions and exercises.

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It is also no secret that it is young officers who experience social problems most acutely. The unfortunate result is that they are continuing to leave the Army.

The problems in question are also, to a considerable degree, characteristic of other branches of the Armed Forces. In the very near future we will all have to study the accumulated experience in detail, closely analyze the shortcomings, and work out specific proposals for eliminating them. But I would now like to conclude this review of ours on an optimistic note by pointing out that, despite the complex times which Russia's Armed Forces are now living through, the chief factor for them remains the maintenance of combat and mobilization readiness at a high level.

Defense Ministry Clamping Down on Correspondents

MK2910115094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 29 Oct 94 p 3

[Unattributed report in the "Non-Stop Round the Clock" column: "Will MOSKOVSKIYE NOVOSTI's Military Correspondent Be Discharged From the Armed Forces?"]

[FBIS Translated Text] According to information in our possession, the Defense Ministry is drafting a reform plan affecting a group of military servicemen assigned to several Russian newspapers as military correspondents. Defense Ministry initiators are dreaming of leaving only five out of the seven military special correspondents. One will simply quit the Armed Forces. Another—MOSKOVSKIYE NOVOSTI's military correspondent Aleksandr Zhilin—by somebody's brilliant idea, is to be "forcibly" discharged from the Armed Forces as part of a general staff downsizing scheme.

Zhilin, the author of a series of materials on crimes in the Western Group of Forces, which have drawn repeated threats of a speedy "physical retribution," has received quite a different assessment in journalistic circles: He won first prize at the international Golden Gong competition for his newspaper works. Meanwhile the military leadership is holding back its appraisal of Zhilin's materials: On 18 August the deadline for awarding Lieutenant Colonel Zhilin the rank of full colonel ran out. There has been an amazing silence about the promotion even now.

Military lawyers assess this fact as a clear precedent in the defense minister's "lawmaking activity:" Zhilin had not—in "military terminology"—incurred any disciplinary action. And such a demonstration of feelings by the defense minister can be regarded as a clear-cut violation of the law. True, it is easy to discharge Lt. Col. Zhilin in his present rank: The 20 requisite years of service have passed.

Dima Kholodov was not a military serviceman. He was simply killed. For the military, it seems, there are easier ways of "eliminating" unamenable people.

Possibly this "case" will interest the Main Military Prosecutor's Office.

Kokoshin Meets With Theater Director Kheyfets

MM2810144394 Moscow KRASNAYA ZVEZDA in Russian 28 Oct 94 p 1

[Report by unidentified own correspondent: "Defense Ministry Concerned by Situation in Russian Army Theater"]

[FBIS Translated Text] Moscow—On 26 October Andrey Kokoshin, Russian Federation first deputy defense minister, met with Leonid Kheyfets, chief director of the Russian Army Central Academic Theater [RACAT] and had a detailed conversation with him. An official investigation through ministry channels has begun into the situation prevailing in the RACAT.

Our newspaper has already related how an attack was perpetrated against Leonid Kheyfets, timed to coincide with a session of the theater's artistic council at which the question of the long-term lease of RACAT's premises to the "Yamal" private firm was due to be discussed. At the request of the Ministry of Defense, questions of guaranteeing the personal safety of the director and his family have been taken under the control of the Russian Federation Ministry of Internal Affairs. Defense Minister Army General Pavel Grachev has expressed indignation and concern over the attack on Leonid Kheyfets.

Law Ratifies Baykonur Utilization Agreement

MM2810115794 Moscow ROSSIYSKAYA GAZETA in Russian 27 Oct 94 p 6

[Russian Federation Federal Law No. 28-F3 adopted by the State Duma 21 July 1994 and approved by the Federation Council 7 October 1994, signed by Russian Federation President B. Yeltsin and dated Moscow, The Kremlin, 24 October 1994: "On the Ratification of the Agreement Between the Russian Federation and the Republic of Kazakhstan on the Basic Principles and Conditions of the Utilization of the Baykonur Cosmodrome"]

[FBIS Translated Text] Article 1. The Agreement Between the Russian Federation and the Republic of Kazakhstan on the Basic Principles and Conditions of the Utilization of the Baykonur Cosmodrome, signed in the city of Moscow 28 March 1994, is ratified.

Article 2. The Russian Federation Government is to submit the treaty on leasing the Baykonur complex between the Russian Federation and Republic of Kazakhstan Governments to the State Duma for ratification after it has been concluded in accordance with Article 6 of the agreement, together with the 20-year federal program to develop a ground-based infrastructure for space assets.

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Article 3. Following ratification of the treaty on leasing the Baykonur complex, the Russian Federation Government is to adopt a decision on the opening of financing for the payment of rent for the Baykonur complex and for reimbursing the Republic of Kazakhstan's property losses and expenditure on maintaining and operating the Baykonur complex in 1992-1993.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, The Kremlin, 24 October 1994

Arabs Consider Launching Satellite by Proton Booster Rocket

MK2810142094 Moscow KOMMERSANT-DAILY in Russian 28 Oct 94 p 1

[Report by Ivan Petrov under the "Russian-Arab Space Ties" rubric: "Space Contract Will Have To Be Written From Right to Left"]

[FBIS Translated Text] The Arab League has for the first time in its history given thought to the question of whether the Russian- made Proton booster rocket can be used to launch the Arabsat-2 pan- Arabic communications satellite. Judging from the official release issued yesterday by the press service of the Khrunichev Space Center, the question has aroused the Russian side's interest as well.

All the more so because, if the above press release can be trusted, not only the Arabs, but also their long-time space partners from Aerospatiale (France) solicited discussion of this matter. According to KOMMERSANT-DAILY's information, the architects of the Arabsat-2 project started their search for an appropriate rocket with France's Ariane, but it did not fully suit them. The Arab side's desire to study the capacities of the rival Proton rocket did not cancel their partnership with Aerospatiale. Moreover, recently chiefs of the Khrunichev Space Center conducted fairly intensive talks with the French firm about collaboration on the commercial space launch market.

Finally, this week specialists of the Khrunichev Space Center, the Lockheed-Khrunichev-Energiya joint-stock company, and the French firms Aerospatiale and Alcatel held a meeting on "the Arab issue." They discussed technical aspects of the project, insurance and security matters, and so forth. The meeting exposed the main technical problem about which the partners talk somewhat ambiguously to the effect that the need for a "complete compatibility" of the Arab satellite and the Russian rocket has not yet become a possibility. Nonetheless, the tentative date of signing the main contract "in case of successful cooperation" was set for January 1995. Financial aspects were not discussed in the meeting and are still being kept secret.

Federal Assembly

Chernomyrdin Speech at Duma

MM2810114894 Moscow ROSSIYSKAYA GAZETA in Russian 28 Oct 94 Weekend Edition pp 1-3

[Unattributed account of speech by Russian Prime Minister Chernomyrdin at 27 October Duma session: "Premier's Speech at State Duma"]

[FBIS Translated Text] I regard the fact that the question of confidence in the government was raised at a Duma session in two ways. On the one hand, this reflects the crisis processes that the Russian economy is experiencing. On the other, this is evidence that we have indeed reached a fundamental point in the course of reforms. Now decisions must be adopted on which the whole future development of our country depends.

Let me get to the point straightaway.

The situation in the economy at the end of three years of radical economic reform remains difficult and contradictory.

Industrial production in the first 10 months or so of this year declined by 21 percent compared with the same period last year. The allergy to investment that has persisted for some years now is threatening to devour the people's wealth. Shortage of financial resources is resulting in incomplete funding of science, the social sphere, and the armed forces. The economy is being stifled by nonpayments. Unemployment is rising at a comparatively slow rate, but is rising nonetheless. Although indicators of the standard of living have stabilized on average of late, they are accompanied by considerable differentiation in terms of income and material security.

Needless to say, we cannot and must not ascribe everything to "objective factors." We are not shirking responsibility for the impermissible wage arrears, for the systematic underfunding of a number of sectors of the economy and the social sphere, and for impulsive injections of new money into the economy.

There has been little thorough analysis of things at enterprises and in the regions. For a long time the problem of nonpayments did not receive proper attention.

The state apparatus is still sluggish and has not adapted well to the new market conditions. And our own miscalculations and mistakes among other things are also "at the bottom" of all this.

The implementation of the 1994 budget is proceeding with difficulty. It is clear today that unrealistic renevues were planned; we relied on poor forecasts which underestimated the slump and overstated inflation. The result has been a major shortfall in revenue and a low level of implementation in terms of spending. The 1995 budget takes these lessons into consideration.

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That is why yesterday's Duma assessment of the progress of this year's budget implementation is understandable; I am not simplifying anything, but nor am I overcomplicating things. Work and more woris needed, primarily by the government.

But in all fairness let us point out that when the budget was ratified in June, only a few people said that revenue had been overstated. Most people demanded that spending be increased and devised ways of making the revenue stretch—on paper, needless to say, since there were no real opportunities to do this even then.

Are we satisfied with what we have accomplished? Of course not. Have we done everything to rectify the situation? No again. But there is another side to the coin that must not be forgotten.

The decline in production has slowed. Following the dramatic decline late last year and early this year for several months there was no decline in industrial output and in October we already have growth of around 15 percent compared with this September and around 6 percent compared with last October.

The slump in the economy has acquired an explicit structural nature: It is not shortages but demand that determines the dynamics of production. Thus production of over 220 out of 406 highly important categories of reported output rose in September-October. Examples of this are to be found in all sectors of heavy and light industry, namely production of the "Gazel" 1.5-tonne truck in Nizhniy Novgorod, production of equipment for the oil industry at "Uraltransmash," the increase in production of finished rolled metal at the Kuznetsk Metallurgical Combine, mineral fertilizers at Cherepovtsy's "Ammofos," children's clothing at Chita's Sewn Goods Plant, and margarine at the Ivanovo Butter and Fats Combine.

Inflation is steadily falling, down from 21 percent in January to 4.5 percent in August. Admittedly, in June control over the increase in the money supply was relaxed. As a result the price index stood at 7.7 percent in September.

Despite "Black Tuesday," it will not top 15 percent in October (the inflation index stood at 9.5 percent 1 through 18 October). There is every reason to expect that prices will rise by around 5 percent a month in November and December. In the year as a whole prices will have risen by roughly 180 percent (December 1993 on December 1994).

Compare the following: In 1992 prices rose 2,500 percent and in 1993 840 percent. Thus, despite the unforeseen circumstances we can say that in 1994 inflation was by and large under control.

In the wake of the fall in inflation over the year the Bank of Russia's discount rate fell for a long time and has been positive since the beginning of the year.

The first signs of stabilization in the standard of living are in evidence. Our citizens' real disposable monetary income rose by 14 percent in the first nine months of the year compared with the same period last year. It is particularly worthy of note that in this time the proportion of savings rose, now standing at around 20 percent of the population's income. Today people are putting money into savings not because there is nothing to buy, as was the case in the recent past, but because there is a reason for saving.

In these contradictory conditions we all—the government and deputies—need a lucid, clear answer to the question of what to do and which economic strategy to choose.

It is obvious today that the pace of transformations set by financial policy has lagged behind the requirements of the economy itself. We need a determined breakthrough.

World experience, and our own too, shows that macroeconomic stabilization should not be spun out for a long time, otherwise inflation eats away at the whole economic organism like rust. It is inflation that is ultimately most to blame for nonpayments. It makes it profitable to invest in financial speculation rather than in production. No matter how hard it may be, we must draw the conclusion that the moderately tough financial policy pursued hitherto has exhausted its potential. It is necessary to adjust the course and take the next decisive step.

The government has made its choice.

It is this choice that is reflected in the documents which the government has submitted to the State Duma, namely the draft budget, the forecast for 1995, and the concept for the government's medium-term program in 1995-1997.

And if we raise the question of confidence, it is in connection with this choice, in the context of these documents.

We think that no attempts to secure economic recovery by relaxing financial and credit policy and making concessions in the fight against inflation will meet with success. The most important problem of Russia's economic development—that of boosting investment, resuming production growth, and improving our citizens' living and working conditions—cannot be resolved without this.

Analyzing the state of the economy shows that we will not be able to achieve this with the situation in which we are living today, even if we keep inflation during 1995 at the level of 5 percent anticipated this December. If we seriously want the steady stabilization of production and the resumption of economic growth over the next 18-24 months, we must ensure by the end of 1995 that monthly inflation does not go above 1-2 percent. And this will necessitate extremely tough economies in all, I stress, all areas of budget spending.

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I am perfectly well aware that I am saying unpleasant things. But that is precisely how things stand.

The only realistic budget is one that helps to speed up transformations and compels, in the direct sense of the word, enterprises, regions, and in effect all society to knuckle down [krutitsya].

The purpose of the budget is to create a sound background for reform, shape the climate for reform, and impose, if you will, tough market discipline. I would even say that during a period of transition the only realistic budget is one that bars all ways back, to the slough of despond.

And that is precisely what we have to overcome. That is the task we set ourselves when working on the draft 1995 budget and the other documents that we are submitting for your consideration.

I will not dwell in detail now on the items of the budget. I will just talk about its overall structure.

Federal budget revenue must stand at 134.3 trillion rubles [R], or 14.5 percent of GDP, as opposed to the 12 percent or so expected in 1994. This increase will primarily be ensured by carrying out programs to improve tax collection and also with revenue from privatization, on which many deputies insisted.

The revenue section of the federal budget has been shaped with consideration for the incipient medium-term tax reform. What does that boil down to?

We think that it will take three years to fully implement tax reform. In 1995 adjustments will be made to the tax system arising from the president's edicts on economic reform along with the requisite steps to ensure confident implementation of the budget. At the same time I hope that deputies will adopt a Tax Code, work on which is nearing completion. More weighty changes will be made to legislation based on this and as the economy stabilizes in 1996-1997.

Next year we are embarking:

—on the abolition of seven federal taxes;

—we are establishing a maximum list of regional and local taxes (around 10 categories). Needless to say, people in the localities have the right to introduce any other taxes, but they can only be established provided that they apply to enterprises' remaining profits once the mandatory federal taxes have been paid;

—we are consolidating sectoral nonbudget funds in the budget;

—we are raising income tax for people on super-high incomes. At the same time the nontaxable minimum income is being doubled, i.e. the tax burden for the needy is being eased;

—we are conducting a "purge" on tax concessions, the number of which has gone beyond all reasonable bounds;

—we are revising—mainly downward—basic tax rates on manufacturers.

Federal budget spending. In 1995 it has been set at R206.3 trillion, which represents 22.3 percent of GDP. Typically, this year, according to the ratified budget, we intended to spend 26.2 percent of GDP, but we will have spent in reality only 22 percent of GDP based on the anticipated implementation figures.

It was more important for the government to resolve the following tasks when it came to spending. First, to prevent a decline in the proportion of socially oriented budget spending. Second, to stabilize the proportion of spending on national defense, primarily on the construction of housing for servicemen and on defense science. Third, to increase spending on the fight against crime.

Let me dwell in somewhat more detail on a number of items of spending which in many respects determine the budget "climate."

Spending on state administration. Here we are taking and will take as tough an approach as possible. The volume of spending has been set at the 1994 level. But in addition we will look at how to rationalize the structure, stop the creation of new organs of government, and regulate spending on various bureaucratic offices.

Spending on **national defense** in the draft federal budget has been set at R45.3 trillion, or almost 22 percent of total spending, which represents a 1-percent increase on 1994. This is a considerable amount of money and effectively represents what we can envisage today for this purpose.

State support for fundamental sectors of industry is becoming more targeted. Support for the coal industry, including funds to rescue lossmaking mines and pits and provide social protection for people working at enterprises scheduled for closure today accounts for the bulk of the R6.5 trillion allocated for this purpose. **State investments.** Given the limited federal budget resources, it is intended to channel these resources primarily into the implementation of socially significant and high-technology projects. Namely construction of housing for servicemen, provision of food and medicine, development of the social infrastructure, and the elimination of the consequences of the Chernobyl catastrophe and natural disasters. It is also a question of ensuring safety in the nuclear power industry and support for promising fundamental science programs.

By and large state investments using budget appropriations on a repayable and nonrepayable basis have been set at around R16 trillion in 1995. But that is only the federal budget, after all. In 1995 amortization will be an important source of capital investment in the national economy. The country's amortization fund will reach

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almost R200 trillion owing to the revaluation of capital stock and accelerated amortization.

Given low inflation and in conditions of competition enterprises will have a real incentive not to gobble up this money but to invest it in updating production. What is more we are providing tax exemption for profits channeled into investment. And there will also be money from additional issues of securities in privatized enterprises. So, there are simply no grounds for saying that inadequate allocation of federal budget funds will suppress investment activity in the economy. This activity will simply have another—market—source.

Spending on agriculture. Total federal budget spending in 1995 will stand at almost R16 trillion as opposed to R12.7 trillion in the 1994 budget. The proportion of budget spending on these purposes will by and large remain at this year's level.

In 1995 the proportion and structure of spending on **social needs, science, and culture** will also largely be preserved. It is envisaged that in 1995 almost R5.5 trillion, or 2.6 percent, of federal budget spending will be channeled into fundamental research and promoting scientific and technical progress.

Given the complex financial situation we will review approaches to the provision of financial concessions. We must no longer try to spread budget funds thinly. Aid must be provided for those who are indeed in difficult conditions.

It is high time that we took a more exacting approach to the words "it is necessary to" which we hear from every quarter. There is nothing to discuss unless we get answers to the questions of who needs what and why, and whether state involvement can be avoided. That should be the axiom governing spending policy. In the 1995 budget we have tried to implement precisely that principle. This has probably not been entirely successful. I hope that together with deputies we will once again be able to "clean up" our spending act.

Summing up this section of the budget, I will say that in terms of basic spending the proportion has been kept at the 1994 level. As a result, the 1995 federal budget deficit has been set at R72 trillion, or 7.8 percent of GDP, as opposed to 8.8 percent in the 1994 budget law.

The main problem is **how to cover this deficit and with what.**

It is no secret that direct provision of Central Bank credit to cover the deficit is one of the main reasons for the increase in inflation. Will we be able to survive without this credit? We will indeed if we enlist funds from enterprises, commercial banks and structures, and the population. To this end it is planned to issue state securities (worth around R42.5 trillion). It is estimated that this will make it possible to cover over half of the entire deficit. Needless to say this will required great organizational efforts and the expeditious formation of reliable financial institutions for the securities market.

I must say a special word about enlisting external loans. This is the second major means of covering the 1995 budget deficit. Membership of international financial organizations such as the IMF, the World Bank, etc. gives us the right of access to considerable resources. And it would be wrong to renounce these opportunities on the grounds of some "ideological" considerations. After all, gaining access to international financial organizations' funds is a matter of prestige for Russia and we must do everything we can to avail ourselves of our legal rights on an equal footing with other countries.

But at the same time it is necessary to bear in mind three special features:

First. If people are giving money, why should we not take it—especially on the following terms: World Bank credit is issued for 17 years, at interest rates below the market rate, and with payment deferred for 18 months; others are also preferential.

Second. No one gives out the above credits just like that. The appropriate contractual or civilized, so to speak, terms must be met. Remember the notorious $24 billion that we were promised in 1991-1992 and how much we received?

Third. Russia is a full member of all these international organizations and should exercise its rights. All "civilized" countries make use, above all, of **loans** in carrying out reform, building major projects, and implementing national programs.

Why should we now shift all this back onto our people, why should we put them through the mill, and to what purpose? We need to get an even greater grip on ourselves and build normal relations with international financial and economic organizations? [question mark as published]

We will need external sources of finance in 1995 to give us room for maneuver. And we will use them just once. In 1996 we will sharply cut foreign borrowings and will basically rely on our own resources and on strengthening the budget's revenue base. This is a responsible approach.

A particularly important issue for the government is stabilization of the national currency. I would like to state straightaway that the recent sharp lurches [skachok] in the ruble do not reflect the genuine state of the Russian economy. The ruble's domestic convertibility is by no means fully based on Russia's actual economic potential.

Under these conditions it is simply not serious to say that the government has some kind of interest in market speculation. After all, this goes against everything that we did between January and September. The devaluation of the ruble has just the opposite effect: It removes

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from the state one of the main facilities of monetary policy—the higher yields on operations with ruble assets compared to foreign exchange. The political disadvantages—the growth of political inflationary expectations—are obvious too.

The situation is now under control and is stabilizing.

I would like to tell everyone once again that we will not permit any more "collapses" in the ruble. We will keep it at an acceptable level—so as not to feed inflationary expectations and, at the same time, not squander the Central Bank's foreign reserves. The conditions for this are in place.

We have already passed the seasonal lending peak. The printing of money is strictly under control, and the ceilings set for the fourth quarter will be kept to. There has been a certain amount of progress in resolving the defaulting problem. This should have a positive impact on enterprises' financial positions and on budget revenue. The agreement with basic sectors to limit prices, and the mutual offsetting of debts between the state and sectors are bearing fruit.

By the year's end we will ensure full funding for protected items of budget expenditure. This means above all that we will pay off the salary backlogs in the budget-funded sphere and fully fund the "Children of Russia" federal program and the Fund for the Support of Russian Federation Components. Interbudget relations will not be violated.

Moreover, the Finance Ministry and the Central Bank have come up with an acceptable plan for restructuring the debts of agro-industrial complex enterprises on previously issued loans, and for paying the interest on them.

Now to regional problems. Their role has rapidly increased over the past year or two. And budgetary issues play a very important part in this area.

In 1994 the budget relationship between the Federation and its components underwent major changes.

The main change was that we have started moving away from, so to speak, "individual" agreements toward transactions based on definite normatives of interbudgetary relations. This is a fairer approach from the government's standpoint.

For each Federation component normatives of minimum budgetary provision are being established, and the level of direct federal aid to the regions is laid down on this basis. The rest will come out of their own resources.

Will it be possible to fully implement this in 1995? Yes it will, if we do not go for a new fundamental breakthrough but start gradually moving toward a normal regime over the course of two or three years, while at the same time carrying out fiscal and budgetary reform, expanding the revenue base of local budgets, and ensuring real financial autonomy for the regions.

Esteemed Deputies!

What is the main meaning of what we will be doing? The essence of budgetary policy for 1995 is not merely to survive, not merely to economize, not merely to borrow from the population or from international financial organizations. The main point is to create the prerequisites for an economic upturn and future growth. And this—as calculations show—can be achieved in the next two or three years.

Economic policy in 1995 is to begin implementing the medium-term strategy which we define in the government program for 1995-1997.

The aim of this program is, above all, to ensure a rise in Russians' living standards, to achieve a steady stabilization of the overall level of production, and to resume economic growth. This is what we are working toward, ensuring macroeconomic stabilization and creating favorable conditions for improving investment activeness, deepening reform at sector and enterprise level, and intensifying institutional and structural reorganization.

Finally, there is one further component of the medium-term program—we may achieve greater success in budgetary and investment policy, but all our efforts will come to naught if we fail to solve the problem of creating a strong state and ensuring protection for the rights of the individual and of private property.

The main priority here is the fight against crime. It will be conducted very stringently within the framework of the law.

Another avenue is to build an inexpensive but efficient apparatus of state power.

The last and very important aspect is to complete legal reform, to create a code of a developed civil-law system on the basis of the Civil Code recently adopted by the Duma, and to strengthen the judicial system.

In general terms, the three conditions for Russia's economic revival are financial stability, private investment growth, and law and order.

The first phase of ensuring these conditions is the economic policy for 1995, which should complete the stabilization phase that will be followed by the start of the economic growth process.

Here too there is a simple and comprehensible chain of events. **The abandonment of direct Central Bank credits will lay the basis for ruble stabilization.** This will have a healthy impact on the economy and lead to a revival of investment activity. Ruble savings will grow more rapidly, and on a longer-term basis—which will lay the foundations for long-term investment. The Central Bank interest rate will fall, economic and investment decisions will become more predictable, and commercial bank loans to enterprises will become substantially cheaper over a short period of time. Speculative yields from

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investing capital in the sphere of circulation and the financial sector—which was natural in a high-inflation environment—will fall. This means that the long-awaited movement of capital into the production sphere will begin.

All this put together will ensure stability and predictability in economic life and make it possible to plan and make decisions to develop production, invest, and save. This will be a fundamentally different economic climate. It will be a normal economy. And normal politics too [da i politika tozhe].

Esteemed Deputies!

The government has submitted to you its approaches to a policy geared toward radically changing the situation in the national economy and substantially accelerating reform aimed at achieving stabilization and assured economic growth.

I am confident that only on this basis will we all be able to ensure and strengthen national consensus in the country. We cannot move forward with our heads looking back or to the side. It will not work. Not for anyone! That is what I would ask you to bear in mind when each of you is deciding on how to vote.

The young shoots of stabilization are already there, but we could crush them were we to act inadvisedly. It would be not only annoying but simply stupid to turn around ourselves and make all Russia's citizens go back two years and start over. Nobody would benefit from that.

The main aim of what we are proposing is to achieve stability and predictability in economic life.

This is a real possiblity for Russian industrialists and entrepreneurs to plan their business, to develop production, and to invest. There will be an opportunity to live and work normally, and to borrow normally—both to invest and to replenish fixed capital—and this will revive production. Payments will be made—that means jobs, that means life.

It will restore the dignity and value of productive labor. For, instead of vainly waiting for dubious interest payments to turn up, conditions will emerge for people to work with confidence and pin their hope on their own strengths, abilities, and talents. Millions of people will benefit from this.

This is a most important condition for the urgent institutional and structural transformations in power generation, agriculture, industry, the banking sector, and the stock market, and for a vigorous state policy that protects the interests of private owners.

It is a path of consistently strengthening and developing economic federalism and ensuring real equality of rights among all Russian Federation components.

It is a basis for a social policy that will guarantee state support for Russians under the Constitution.

It is, finally, the only possible path along which the government can really meet the commitments undertaken in the Social Accord Treaty.

I want to state with complete authority that the objective conditions for implementing this plan are in place. The economy is already obeying the laws of the market. Of course, we can deliberately close our eyes to this. But there is no getting away from the truth. And there is but one truth today—our lives will be determined by inflation. And inflation will be determined by our policy.

We all want investment and economic growth. But our decisions today will determine when all this begins.

The year 1995 could be a year of financial stabilization for the Russian economy; 1996 will be the year when we get out of the depression; and 1997 will be the year of an active economic growth policy.

But these years could also be a period of lost opportunities and bitter disappointment. Everything will depend on today and on the decisions made in this auditorium—it will all depend on all of us!

I am relying on your responsibility and wisdom.

I am confident that we will all only benefit if we immediately start work on the documents submitted to the Duma. After all, it is essentially a question of a new economic policy. Derailing it at the very outset—when the concept is starting to become an action program—would at the very least be unproductive. It would mean a loss of time, a loss of impetus, and—if you like—a loss of our bearings in the situation.

We are just starting to acquire civilized methods of the political technique of carrying out reform. In this sense, a vote of confidence is normal. I would go further—it is even very useful. For it actually reveals each person's level of understanding of what is needed to get out of the economic crisis.

There is no doubt that the State Duma is today taking an important step toward strengthening democratic parliamentarianism in Russia. I do not think, though, that it is the only possible step. By no means all the reserves for permanent parliamentary monitoring of the government's activity or for specific work with it on fundamental issues of economic practice that require new legislative decisions have been utilized.

Yet life demands that we should be not rivals but allies that bear our share of the responsibility for elaborating economic policy.

This year we have not traveled even half of the way toward each other and toward normal, creative cooperation. There is no point in giving up at the halfway mark!

I do not think that this would benefit Russia or its people! [Chernomyrdin ends]

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[Remaining paragraphs are carried under individual subheads in boxes interspersed throughout text]

Answers to Questions

"Today I realized for the first time that I would be starting my speech with shortcomings—what we are finding hard, what problems there are, and what we have failed to achieve. Nobody has prevented or is preventing me from doing any of this."

"I can state with complete authority that there is no internal dissension within the government. Why are people always pushing me into engaging in some kind of feud? Such a thing has never happened in all my years as a leader and, I hope, never will."

Ministers' Information

"In the first nine months of the year 4,400 enterprises were shut down. Five hundred enterprises ground to a halt altogether. Losses totaled 14 days per capita."

"In the first nine months of the year there was a revenue shortfall of R4.7 trillion due to low inflation, and of R5.4 trillion due to declining production volumes. A total of R21 trillion."

Answers to Questions

"I am not planning to make anyone's life easier by resigning...."

"As of 1 October our salary backlog debt stood at R2 trillion, currently it is R1.2 trillion...by the year's end we will have completely paid off our debts to budget-sector workers."

Answers to Questions

"All the vice premiers and all the ministers—they are all subordinate to me. At least I do not know a single one who can bypass the premier."

"This year the government has submitted 55 draft laws to the Duma, the Duma has examined 34 and adopted 10. Another 33 have been prepared for submission.... But they have to be adopted!"

Dialogue at the Microphone

Rybkin: "Please switch on the microphone in the presidium for Aleksandr Dmitriyevich Vengerovskiy. He has given me an ultimatum—either a question or a vice premiership."

Vengerovskiy: "What kind of sociopolitical system do we have now and what kind are we headed toward as a result of what you have said here?"

Chernomyrdin: "I can say one thing for sure—we are not building socialism and we are not moving toward communism."

Pledges Future Cooperation

LD2810181094 Moscow ITAR-TASS in English 1708 GMT 28 Oct 94

[FBIS Transcribed Text] Moscow October 28 TASS—Russian Prime Minister Viktor Chernomyrdin met heads of the majority of Duma factions at the Government House today, reports the government press service.

He thanked those present for cooperation proposals and urged active involvement of Duma factions in preparations of the 1995 budget and a program of reforms for 1995-1997.

In the words of Chernomyrdin, the government will soon have a department for cooperation with the State Duma to inform the deputies of materials on the economic situation developed by government institutions, scientific establishments, ministries and departments. The Duma committees and factions will, thus, have a clear picture of the situation and help the government solve social and economic problems.

Interaction with parliament members will soon be discussed by the Russian cabinet, said head of the government press service Valentin Sergeyev. The meeting will be attended by heads of Duma committees, factions and political parties whose representatives were elected to the parliament.

Participants in today's meeting, Vladimir Zhirinovskiy, Gennadiy Zyuganov, Yevgeniy Bushmin, Yekaterina Lakhova, Yegor Gaydar and Vladimir Medvedev, actively supported the premier's proposal of regular contacts.

State Duma Says Government's Performance Unsatisfactory

LD2810123694 Moscow ITAR-TASS World Service in Russian 1145 GMT 28 Oct 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 28 Oct—The Russian Government's performance in implementing socio-economic policies and economic reform has been deemed unsatisfactory by the State Duma and is said not to meet the expectations of the majority of the population. This is set out in a State Duma resolution on the report made by Viktor Chernomyrdin on Thursday.

The chamber proposed that Boris Yeltsin "set before Russia's citizens and Federal Assembly his stance on the actual state of affairs in the country, the government's progress in implementing the president's message to the Federal Assembly 'on strengthening the Russian state,' on the causes of the current economic situation, and on measures to surmount the crisis".

The State Duma noted the lack of coordination between the activities of a number of structures within the

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president's administration and the Russian Government in resolving issues of state administration. It recommended that the government take organizational measures to eliminate parallel and dual functions in the functioning of subdivisions of the president's administration and the government. It was also recognized that the adoption of the law "On the Government of the Russian Federation" needs to be accelerated.

It was recommended that the president and the head of government make appropriate changes in personnel to strengthen the government, taking into account proposals submitted by factions and deputies at the State Duma session of 27 October.

Duma Factions Want Yeltsin Out, Then New Government

MM2810161994 Moscow IZVESTIYA 29 Oct 94 p 2

[Article by Sergey Chugayev: "In Attacking Yeltsin the Duma Is Aiming Its Sights Higher"]

[FBIS Translated Text] The result of the State Duma confidence vote clearly demonstrated the two superficially mutually exclusive attitudes to the executive which currently dominate the lower chamber of the Russian parliament. First, the government does not enjoy the support of the absolute majority of deputies. Second, the same absolute majority does not want it to resign.

As has become known from reliable sources, in the corridors Communist faction leader G. Zyuganov was trying to persuade colleagues from the "Women of Russia" faction to support the government and not vote for its resignation. Thereby neutralizing his own faction, which, as the Communist leader stated, "had" to vote against the government "on principle."

This episode shows better than anything what in fact was going on behind the scene of the widely advertised political "show" titled "a vote on the question of confidence in the government." And why even before the session began all deputies—leaders and rank and file alike—were confidently stating with an ironic smile that nothing dramatic was going to happen. And why the response to the premier's specific proposals relating to the economy and finances was a hail of purely political declarations.

There has been haggling over ministerial portfolios, of course, and it is no coincidence that the result of the first deal—the replacement of the holder of the agriculture minister's portfolio—was announced in the Duma on precisely 27 October. It is obvious that maneuvers are going on around the draft budget. But the main reason for most deputies' wish to keep the present government is that none of the parties represented in the Duma is prepared take on the responsibility of forming a new government and submitting their own socioeconomic and political program without getting the presidency first.

The result of the 27 October vote showed perfectly clearly that if there is a top organ of power capable of assuming responsibility for the situation in the country (which the previous Supreme Soviet had intensively sought) it is not the State Duma; it is merely an arena of the struggle for power in Russia. The struggle for presidential power. This is objectively what it is. In accordance with the present constitution.

Not only the result of the vote but the entire process of the development of events at this session (G. Yavlinskiy's sharp antipresidential speech, the "Russia's Choice" faction's switch to the opposition after hearing the news that agro-communist A. Nazarchuk had been appointed minister) also identified with total clarity that the absolute majority of the Duma has switched to opposioion to the president to some degree or other. And as election day approaches these opposition sentiments will only intensify. Which must be assumed to be a reflection of the serious changes currently taking place in society's political consciousness.

B. Yeltsin's chances of re-election at the next presidential elections are beginning to look minimal. And this in turn makes it highly probable that we will soon see the start of a propaganda campaign in favor of postponing the elections. Taking the dominant mood in the Duma into account, however, it is possible to consider that such attempts will not prove successful.

As for the present government, it is now perfectly clear that it will go on as long as the president does. And possibly will increasingly play the role of a bargaining chip in the political game between the president and parliament.

Grachev, Yerin To 'Probably' Address 18 Nov Session

LD2810130694 Moscow INTERFAX in English 1150 GMT 28 Oct 94

[FBIS Transcribed Text] Defense Minister Pavel Grachev and Interior Minister Viktor Yerin will probably address the November 18 evening session of the State Duma, speaker Ivan Rybkin said Friday.

The deputies had earlier decided to invite Grachev to talk on the status of the Russian armed forces in the light of accusations leveled at his ministry by the media.

The motion by Vyacheslav Dorovskikh, Liberal Democrat, that the performance of the Foreign Ministry be debated shortly did not pass. Dorovskikh said that the Latvian parliament had debated the day before a bill on former USSR citizens which discriminated against the Russian-speaking population, while Foreign Minister Andrey Kozyrev was "visiting exotic countries and arranging peace between Arabs and Jews."

At a suggestion by Dorovskikh the speaker told Foreign Relations Committee Chairman Vladimir Lukin to

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inform the deputies at the end of the Friday session about the beating of Russian citizens in a Warsaw railroad terminal.

Rybkin also told the Duma committees to analyze U.S. President Bill Clinton's national security message to Congress.

Duma Ratifies Treaty on Troop Withdrawal From Latvia

LD2810115894 Moscow Ostankino Television First Channel Network in Russian 1052 GMT 28 Oct 94

[Correspondent Sergey Suntsov report from the State Duma, Moscow—live]

[FBIS Translated Text] Hello. The State Duma is continuing its work. There are quite a lot of issues on today's agenda, including treaties which need to be ratified or considered and resolutions by the Duma itself. I will single out two from the list—a treaty with the Latvian Republic concerning the withdrawal of Russian troops from this Baltic republic has been ratified. Here are two of its features: The Russian state has pledged to pay the bill for the facilities the Russian troops are leaving behind from budget funds, and will also grant residence rights to retired servicemen and members of their families—approximately 100,000 people. Ambassador at large Mikhail Zotov, the head of the Russian delegation at the talks, terms it a compromise document.

Deputies discussing the document made a number of remarks on the situation of the Russian-speaking population in this Baltic Republic. The ambassador at large explained the situation in quite a lot of detail and referred back to the previous treaty, which was ratified recently. In general the situation is improving, although things are far from perfect.

The second law, or State Duma resolution, concerns aid for the population affected by the emergency situation in the Kuril Islands. You may remember, there was a natural disaster. This issue is under discussion. Deputies are stuck at a clause which says that the State Duma has decided to take under its personal control all issues concerning aid to Russian citizens in all regions which have suffered natural disasters, since not all budgetary funds are getting to their destination.

Of all the issues today, there is perhaps most interest in the address by Aleksandr Isayevich Solzhenitsyn. This is planned for 1600 [1300 GMT], and I think there will be significantly more deputies in the hall at that time.

MMM's Mavrodi Elected to State Duma

LD3110105494 Moscow Ostankino Television First Channel Network in Russian 0852 GMT 31 Oct 94

[From the "Novosti" newscast]

[FBIS Translated Text] Elections to bodies of authority at various levels were held on Sunday in regions of Russia. Central and constituency electoral commissions are gathering the results of the elections, but it is already clear that they have been deemed valid in Ivanovo and Kaluga regions, Yamal-Nenets Autonomous Area and Tyumen Region, St. Petersburg, and Moscow's Mytishchi constituency no. 109, where Sergey Mavrodi, head of the MMM joint- stock company, has already been elected. According to preliminary results he has won over 27 percent of electors' votes, INTERFAX learned this morning from the constituency electoral commission. Mavrodi has said he does not intend to join any factions in the lower chamber of the Russian parliament.

State Duma Approves Budget Passing Rules

MK2910121094 Moscow SEGODNYA in Russian 29 Oct 94 p 1

[SEGODNYA report: "State Duma Approves Budget Passing Procedure"]

[FBIS Translated Text] The State Duma has passed a decree on a procedure for considering the 1995 draft federal budget—actual rules for passing it. The decree sets precise time limits on the making of amendments, establishes the method for forming a conciliation commission, sets out guarantees to individual deputies that their view will be taken into consideration in budget planning, and sets dates for the quarterly distribution of allocations. The draft law on the accounts chamber—a body reporting to the Federal Assembly and monitoring the performance of the budget—was sent back for fine-tuning, however.

State Duma Adopts Law on AIDS Prevention

LD2810202294 Moscow Radio Rossii Network in Russian 1700 GMT 28 Oct 94

[FBIS Translated Text] The State Duma has adopted a federal law on the prevention and spread of AIDS in Russia. According to our correspondent Yevgeniy Zherebenkov, the law introduces a compulsory medical examination for donors, foreign citizens, and persons without citizenship arriving in Russia. The foreigners who refuse examination are to be deported from Russia. The law also envisages a number of norms protecting the rights of the HIV-positive. Among other things, it is not allowed to fire them, refuse them jobs, or limit their right to accommodation and other citizens' rights.

Duma Ratifies Russian-German Customs Cooperation Treaty

LD2810134194 Moscow INTERFAX in English 1150 GMT 28 Oct 94

[FBIS Transcribed Text] The Russian State Duma ratified by a vote of 253 deputies Friday the Russian-German Customs Service Cooperation Treaty enabling

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the two countries to combat the smuggling of strategic materials from Russia and trafficking in drugs and works of art.

The treaty had been signed in Moscow on December 16, 1992 and sent to the Duma by President Boris Yeltsin last August.

The Liberal Democratic Party deputies used the occasion to raise the issue of their leader Vladimir Zhirinovskiy not being allowed entry to Germany.

Foreign Relations Committee Chairman Vladimir Lukin told them that, although he did not approve the refusal to grant a visa, Germany, like any state, had a perfect right to do so. He added that Russia might also choose to use this kind of restrictions.

Zhirinovskiy described the treaty as green light for waste into Russia and stolen goods into Germany and accused Lukin of working, jointly with Foreign Minister Andrey Kozyrev, on behalf of the German and American special services rather than Russia.

Lukin replied that Zhirinovskiy was knowingly giving false information and called on him to submit proof.

Regional Affairs

Western Firms Said To Have Hand in Oil Spill Coverage

MK2810110094 Moscow KOMMERSANT-DAILY in Russian 28 Oct 94 p 14

[Report by Alena Miklashevskaya: "Oil Spill on Komi Territory. Vast Damage Caused to Republic's Environment"]

[FBIS Translated Excerpt] The Ministry for Emergency Situations reported yesterday a large spill of oil containing liquid in a sector of an oil pipeline in Komi. According to the ministry's information, a total of about 30,000 tonnes of spilled oil has found its way into the river of Kolva and its tributary, the Usa. The accident poses a serious hazard to the region's environment. According to preliminary estimates, the cost of the damage amounts to 62.2 billion rubles. [passage omitted]

A serious debate over the accident broke out in the Western mass media. Data cited by American experts, however, differ considerably from information given by Komineft joint-stock company specialists. In the Americans' view, the amount of oil spilled from the pipeline is eight times the figure of the 1989 oil spill from the Exxon Valdez tanker near Alaska, estimates varying from 100,000 to 2 million barrels. The United States has offered to send an expert team to the region to assist in the environmental cleanup.

[Article includes the following boxed passage]

Reasons for the Western mass media's attention to the accident

Presumably there are two reasons for the sudden surge of world public attention to the accident at the Komi oil pipeline. In the oilmen's view, a significant number of their shares have ended up being owned by small American investors, and a large investor could possibly have tried to cut their value drastically so as subsequently to buy them. Another reason could be the desire of the Timano Pechora Company (a consortium including Texaco, Amoco, Exxon, and Norsk Hydro, which develops the Timano-Pechorskaya oil and gas bearing province) to push through a plan for transporting its future production through terminals in the Barents Sea, an alternative to which are the oil pipelines passing across Komi territory.

Kostin Gives 'More Precise' Details of Usinsk Oil Spill

LD2810121494 Moscow ITAR-TASS World Service in Russian 0850 GMT 28 Oct 94

[By ITAR-TASS correspondent Mikhail Karlov]

[FBIS Translated Text] Moscow, 28 Oct—According to more precise information, 14.033 [figure, decimal point as received] tonnes of oil were spilled over an area of 62 square kilometers as a result of damage to the oil pipeline in the area of the town of Usinsk. This was related to ITAR-TASS today by Viktor Kostin, Russian deputy minister for environmental protection and natural resources.

This information was obtained in investigations, which included aerial photographs, conducted by employees of the environmental protection bodies, Komineft, and oil experts from the Russo-American Nordeko joint-stock company. It was established that the depth of oil in the polluted area is between 3-40 centimeters. The inspection was hampered by the fact that in general the oil was spilled in marshes, where it is practically impossible for the investigators to land. This also hampers the use of biological products to clean the area, which have proved extremely effective on polluted, hard soils.

Viktor Kostin said that fuller information will be obtained at the beginning of November, when a group of experts from the Ministry for Environmental Protection and Natural Resources return to Moscow from Komi.

Komi Appeals To 'Northern Forum' for Help with Oil Spill

LD2910104594 Moscow Radio Rossii Network in Russian 0900 GMT 29 Oct 94

[FBIS Translated Text] The governor of the Yamalo-Nenetskiy Autonomous Okrug and the president of the Komi Republic have requested the international Arctic organization Northern Forum for assistance in fighting the aftermath of the accident on the pipeline near the town of Usinsk.

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A message sent to the Northern Forum headquarters in Anchorage in Alaska says that the accident could inflict considerable ecological, economic, and social damage.

According to the assessment of Western specialists, the oil pipeline burst could have more serious consequences than the American tanker disaster, one of the biggest in the world, near Alaska in 1989.

At the same time, according to the conclusions of a Russian special commission, the damage from the accident near Usinsk is less than expected.

Special Commission To Present True Data on Oil Spill

LD2910110294 Moscow Radio Rossii Network in Russian 1000 GMT 29 Oct 94

[FBIS Translated Text] A special commission of the Russian Ministry for Emergencies is returning to Syktyvkar today from the site of the ecological disaster near Usinsk. The tasks of this commission included assessing the real scale of the oil spill as a result of the oil pipeline burst. It is expected that after a few days of work in the capital of the Komi Republic it will be able to present true data on the scale of the disaster and put an end to disputes over the quantity of spilt oil and the possible damage to the natural environment.

Previously THE NEW YORK TIMES had reported that the scale of the accident was extremely large. However, preliminary data from a Russian special commission had denied this report, a report by our correspondent in Syktyvkar says.

Ministry Says Media Exaggerates Komi Spill

LD2910130494 Moscow ITAR-TASS World Service in Russian 1155 GMT 29 Oct 94

[By an ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 29 October—The scale of the accidents on the oil pipeline in the Komi republic in August- September of this year and their ecological consequences have been exaggerated by the foreign mass media, the Russian Ministry for Civil Defense, Emergencies, and Natural Disasters believes.

The results of the work of the interdepartmental commission in the Komi republic, published today by the Ministry's press service, show that the "spread of most of the oil-containing liquid has been stopped on the marsh, streams, and water channels on the territory, adjacent to the site of the accident." The September high waters, which destroyed all dykes on the Palnik-Shor rivulet, caused some spreading of the oil products.

The removal of the oil slick, carried by the current and deposited on the bank of the Kolva River in the area of Kolva village, was completed before the onset of the freeze. On 26 October, 71.9 tonnes of oil-containing liquid remained on the banks of the Usa River, 1,560 tonnes remained on the Beymyannyy and Palnik-Shor rivulets, and 11,476.6 tonnes in other areas of the territory. The Ministry notes that there is no oil on the water of the Usa and Kolva rivers.

Commission Says Oil Spill Not 'Ecological Disaster'

LD2910204394 Moscow ITAR-TASS in English 2029 GMT 29 Oct 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Syktyvkar, Komi Republic, October 29 TASS—The Komi Republic's commission for emergency situations, at its meeting on Saturday, arrived at a conclusion that the oil trunkline oil spill, which occurred in the republic's Usinsk district in August this year, has not developed into an ecological disaster.

The commission considered the results of the work done in Usinsk area by a special commission consisting of representatives from a number of ministries and departments of Russia, the Komi Republic, and the Nenets Autonomous District, and the current situation at the oil spill site. The commission's meeting was also attended by representatives from the Russian Ministry for Emergency Situations.

Clean-up operations are being carried out satisfactorily, the Komi commission concluded. As of now, there is no film of oil products on the water surface in Usa and Kolva rivers. No signs have been found that the oil spill reached the Pechora River.

The oil spill has been blocked in swamps and a number of streams.

Clean-up operations will be paid for by the Komineft Pipeline Company.

The commission is of the opinion that no additional funds from federal sources are needed to finance clean-up operations. The commission agreed with estimates that all fines for above-limit pollution of the environment amount to more than 62,000 million roubles.

Measures have been planned to expedite the construction of a new pipeline in place of the breakdown section which is to be replaced by December 1, this year.

The Komineft company has been directed to draw up a detailed comprehensive plan to complete clean-up operations before April 1, 1995. It was also decided to work out and implement a comprehensive plan to prevent emergency situations which may arise if the oil spill reaches rivers.

The commission pointed out in its protocol that "all clean-up operations are being monitored by the government of the Komi Republic."

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Further on Commission Report

LD2910150694 Moscow ITAR-TASS World Service in Russian 1420 GMT 29 Oct 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Translated Excerpt] Usinsk (Komi Republic), 29 Oct—The quantity of oil that leaked into the soil in the vicinity of the affected 50 km strip around the pipeline totals 14,033 tonnes, which tallies with the information given by the Komi Oil [Komineft] company. This was reported by the interdepartmental commission studying the situation in the disaster area, signed here on Friday evening. The commission stresses that the scale of the accident has been exaggerated in foreign press reports.

This conclusion was reached "after a helicopter overview of the affected area around the pipeline and a study of the information and calculations submitted by the headquarters of the clean-up operation and by other organizations," the document says.

At the same time, specialists in the Usinsk nature conservation and environmental protection committee think that 64,256 tonnes poured from the pipeline. The commission has decided that the information on the degree of pollution will be updated following processing of the results of the aerial photography and other studies. [passage omitted]

As the report indicates, the disaster headquarters has carried out work to localize the sources of pollution and to clean up the area. The spread of the oily fluid has, in the main, been stopped in the marshes and streams of the area adjacent to the accident site. Elimination of the after-effects of the accident will be completed before 1 April 1995.

Ecologists Say Oil Spill Got Into Pechora River

LD3110101794 Moscow ITAR-TASS in English 0942 GMT 31 Oct 94

[FBIS Transcribed Text] Moscow October 31 TASS—Russian ecologists sounded alarm on Monday saying the major oil spill in the Russian north got in the Pechora River and is moving towards the Barents Sea.

Vladimir Zamoyskiy, an expert of the Russian Social-Ecological Union, told TASS on Monday that some 200,000 tonnes of oil had been spilled between July 1 and October 31 on a 50-kilometre section of the pipeline going across the Russian northern republic of Komi.

Officially, the figure is slightly above 14,000 tonnes and representatives of the "Komineft" company running the pipeline said the oil had not reached the major Pechora River.

Zamoyskiy said his union and the Russian Greenpeace union had completed checking the environment in hard-of-access areas near the city of Usinsk.

According to him, oil got into the Pechora River via its tributaries Usa and Kolva which flow into Pechora 600 kilometres away from its mouth.

Zamoysky said Russian ecologists have drafted a programme to eliminate the consequences of the catastrophe and have forwarded it to the ecological security commission at the Russian president.

It is proposed, in particular, to compile by April 1995 a detailed map of the polluted area by means of air survey and to immediately begin blocking the damaged part of the pipeline by stationary dams. The reconstruction of the 50-km long section should be conducted simultaneously.

According to the social-ecological union, it will be possible to recultivate polluted territories by 1997 provided there is sufficient financing.

The union estimated the cost of work in the first six months at 200 billion roubles (some 70 million U.S. dollars).

Moscow To Use Satellites To Observe Komi Oil Spill

LD3110115194 Moscow Ostankino Television First Channel Network in Russian 0852 GMT 31 Oct 94

[From the "Novosti" program]

[FBIS Transcribed Text] A special commission from the Russian Ministry of Civil Defense, Emergencies, and Natural Disasters which has arrived in the Republic of Komi following an oil leakage from the main pipeline has decided that the accident site is to be surveyed from space.

Expert Says Oil Accident 'Not Unusual'

BR2710165194 Stockholm SVENSKA DAGBLADET in Swedish 27 Oct 94 p 7

[Report by Jan Blomgren: "Unclear Picture of Oil Leak"]

[FBIS Translated Excerpt] Moscow—The local authorities tried yesterday to play down the effects of the oil spill near the Russian town of Usinsk 300 kilometers south of the Arctic Ocean.

There are also highly contradictory reports about how much oil has leaked out. Officials at the Environment Ministry in Moscow flew to the area yesterday to investigate how great the damage actually is. It was also revealed that the Komineft company which runs the pipeline had tried to conceal the leak.

A Russian expert confirmed to SVENSKA DAGBLADET that this type of accident is not unsual.

"It was no concidence where the accident happened. On the other hand it was a coincidence that it came to the knowledge of the general public. If a U.S. newspaper had

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not raised the alarm the snow, which will arrive in a few weeks' time, would have covered up the problem," said Grigoriy Tertizkiy, who has worked at the Geographic Institute in Moscow for the last 15 years and who has traveled around the coutnry studying environmental issues.

"Leaks in pipelines occur daily, but of course they are of different sizes. If as much as 300,000 tons of oil has leaked out in the present case—something for which I cannot vouch—I believe nevertheless that similar catastrophes have happened before. The difference is that hardly anyone got to know about them," Grigoriy Tertizkiy said.

For six years Tertizkiy himself has been traveling through northern Siberia and he speaks of leaks every year on the scale of 3 to 10 million tons of oil.

"But I am not sure that the oil is the major problem," he said. "You can always see the oil; things are more difficult after accidents involving gas." [passage omitted]

Grigoriy Tertizkiy spoke of several reasons for today's catastrophic situation.

The first is that the work 20 or 30 years ago was carried out badly. Where one Japanese inspector failed 80 percent of the welding work, the Russian inspector was only able to fail 5 percent. And it was this latter figure on which action was taken.

Another factor is today's shortage of money—something which has an effect on labor and other resources. Pipelines are located in great unpopulated tundras and have to be checked on by aircraft. There are helicopters, but not always the money for fuel. And suspended wage payments—sometimes lasting up to six months—also have a clear effect on workers' morale. [passage omitted]

"There is a clear risk that leaked oil has already reached the Barents Sea. And what there is on the ground will accompany the snow into the rivers in the spring," said Grigoriy Tertizkiy who does not think that this accident will mean any changes for the better.

"Quite simply the resources are not there. And in addition we Russians do not have the same mentality and approach when it comes to the environment and the protection of nature as you in the West," he said. [passage omitted]

Spill 'Under Control,' Ministry Criticized

LD2810103094 Moscow ITAR-TASS World Service in Russian 2040 GMT 27 Oct 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Excerpt] Moscow, 27 Oct—By 1 December this year, the Komineft [Komi Oil] joint-stock company is to replace 52 kilometers of worn-out pipeline in the Komi Republic's Usinsk area, where an accident occurred in August allowing spillage of up to 30,000 tons of petroleum products. Komineft, which owns the oil pipeline, intends to completely eliminate the aftermath of the accident by 1 April 1995.

The press service of the Ministry of Emergencies and Natural Disasters told an ITAR-TASS correspondent that a telegram they received today from Bibikov, deputy head of the Komi Republic government, reported that "the situation in the accident area is under control. The measures being adopted are adequate, and no help is required from Russia's Ministry of Emergencies or the Ministry of Environment and Natural Resources." [passage omitted]

According to the Hydrometeorological Service's northern directorate, as of 20 October there had been no sightings of oil slicks in the vicinity of the village of Ust-Tsilma on the Pechora River, and the content of petroleum products in the water was below the maximum permitted concentration.

However, an ITAR-TASS correspondent found out from reliable sources that Russia's Emergencies Ministry thinks the local authorities' accident reports are incomplete and understated. ITAR- TASS also learned that the Emergencies Ministry Minister Sergey Shoygu has sent a letter to Russian Environment Minister Viktor Danilov-Danilyan pointing out that "the republican and territorial structures of the Ministry of Environment and Natural Disasters must step up their monitoring of the situation in the localities." Sergey Shoygu thinks it intolerable that the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, signed by Russia in 1992, has been discredited before it had come into force.

Ministry Calls Oil Spill 'Extremely Dangerous'

MM2710201594 Moscow IZVESTIYA in Russian 28 Oct 94 p 2

[Report by Sergey Leskov: "Nature Itself Hampers the Commission From Determining the Scale of the Ecological Disaster in Komi"]

[FBIS Translated Text] The Ministry for Emergency Situations has reported that this department's specialists cannot reach the region of the oil pipeline disaster near Usinsk because of weather conditions, and are stuck in Syktyvkar. The Ministry for the Protection of the Environment and Natural Resources [Minpriroda] confirms that its specialists, together with experts from the Roskomvod [expansion unknown], the Roskomgidromet [the Russian Federal Service for Hydrometeorology and Environmental Monitoring], and the Roskomrybolovstvo [the Russian Federation Committee for Fishing] have also been forced to work with just documentation from Syktyvkar and are waiting for a plane to Usinsk.

The dearth of information from the not easily accessible region is giving rise to contradictory figures on the scale

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of the disaster. The Republic of Komi Minpriroda maintains that 14,033 tonnes of oil have leaked from the pipeline. The Republic of Komi's local civil defense staff increases this amount to 30,000 tonnes. According to the data of the Roskomgidromet, there are as much as 60,000 tonnes spilled on the ground. While U.S. sources cite a figure of 300,000 tonnes. The last figure provokes the indignation of all the Russian departments involved in the disaster. The suspicion is gradually being voiced that, by exaggerating the consequences of the industrial catastrophe, the Americans want to firmly establish their position in the exploitation of the natural resources of the Russian Far North.

It is hard to say whether or not this is so, but the prime cause of the furor is, without a doubt, our old and incurable illness—the cover-up, by departments, of information that is dangerous to them, their reluctance and inability to talk honestly with the public. The congenital bureaucratic secrecy is injurious to the departments themselves and leads to seesaw changes in the figures and scale of pollution. Of all the state structures, according to my observations, only the Ministry for Atomic Energy is today distinguished by proper openness and promptness of response. But, God forbid that anyone should learn the hard way, as did the Ministry for Atomic Energy...

IZVESTIYA's correspondent managed to speak to the leader of the state commission, Yevgeniy Khaylov, who is still taciturn and extremely cautious in his appraisals. From his words it is possible to conclude that alarm over the incident is being sounded loudest by Nenetsk Autonomous Okrug Administration, which, incidentally, reports the largest Russian figure for the oil spill—more than 60,000 tonnes.

According to the most recent information, the level of pollution in the Pechora does not yet exceed the maximum permissible concentration, but at the point where the Usa flows into it the level of pollution already is already twice or three times the maximum permissible concentration. There is no oil slick on the Pechora, but an oil patch of up to 10 km long and 3 meters wide can be seen on the Usa. Oil patches on the river Kolva are also distinguished by their great size.

According to Russian standards, a level of oil pollution 30 times greater than the maximum permissible concentration is dangerous to the environment. At the most serious period of the disaster pollution on the Kolva reached a level of 20 times the maximum permissible concentration. The worst (and so far not evaulated) pollution affected the Pechora swamps, and there is a danger that in the spring petroleum products which have accumulated there will be swept into the northern rivers by the spring waters. But so far the Roskomgidromet post 300 km from the scene of the disaster has not found traces of pollution in the tundra.

Minpriroda's official report assesses the disaster as environmentally extremely dangerous. Some independent experts doubt whether it will be possible in the tundra's fragile natural conditions to avert the wholesale pollution of the Pechora, the Barents Sea, and nearby regions of the Arctic. However, the position of the official departments is more restrained, and practically no doubts are being voiced as to the possibility of localizing the disaster.

Komi Will Clear Oil Spill 'by April 1995'

LD2710161994 Moscow ITAR-TASS in English 1539 GMT 27 Oct 94

[By ITAR-TASS correspondents Valeriy Sevryukov and Vladimir Suprun]

[FBIS Transcribed Text] Moscow October 27 TASS—Aftermaths of the spilling of tens of thousands of oil because of a leak in an oil pipeline near the town of Usinsk, in Russia's republic of Komi, will be abolished by April 1995, a news conference in the Foreign Ministry press centre was told by Aleksandr Shuvalov.

Shuvalov, an official of the Russian Ministry for Environment and Natural Resources, said the situation in the disaster area remained dangerous yet controlled. Cleanup operations prevented the oil from getting into the delta of the Pechora River.

The ministerial spokesman admitted, however, that measures undertaken to manage the disaster were "inadequate" for the current situation.

Minister on Ecological Threat From Oil Spill

LD2710153794 Moscow INTERFAX in English 1509 GMT 27 Oct 94

[FBIS Transcribed Text] The Russian Environment and Mineral Resources Protection Ministry believes the rupture of an oil pipeline in the Komi Republic poses a real ecological danger and will do everything to remedy the situation, a ministry press release made available to INTERFAX Thursday says.

According to the ministry, the leak was detected on August 23. Areas of size 300 by 400 meters were polluted and the oil layer ranged from three to 40 centimeters. Before September 14 a total of 14,033 tonnes of oil leaked.

Experts of the Komi Environment Protection Ministry took part in the investigation and planning the ways to deal with the effects of the disaster, in particular collection and utilization of oil and construction of four dams in small rivers.

Oil slicks one kilometer long were observed in the Kolva River at the end of September and early in October when the dams broke down after torrential rains. Three meter wide patches were observed on the banks of the Usa, a tributary of the Pechora.

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Once the Russian Environment Protection Ministry heard from the Nenets Autonomous Area authorities that a total of 60,000 tonnes of oil had poured from the pipelines, a team of experts from the ministry and Water Supply, Weather and Fishery Committees and the Emergencies Ministry were sent there to estimate the scale of the disaster and sufficiency of the measures taken to deal with it.

The team reached Usinsk late on October 26.

According to the ministry, the oil pollution of the Pechora stayed within the maximum allowable concentration and only in the mouth of the Usa it was two to three times that concentration. There was no oil film.

The Komi government estimated the damage at 60 billion rubles, an equivalent of $19.76 million.

This estimate is at variance with the data reported by certain western sources which describe the event as a major disaster, say that as much as 300,000 tonnes of oil escaped and that over $100 million will be needed to deal with the effects of the leak.

Meanwhile, the Komi civil defense chief Anatoly Nuikin denied in an INTERFAX interview the reports of an ecological emergency around the town of Usinsk. He said that the effects of the leak had been dealt with and work was nearing completion.

Nuikin emphasized that no oil would reach the Pechora or the Barents Sea. He admitted, however, that repair activities could not start before the frosts set in and could not be completed before April 1, 1995.

Grachev Urges Single Commander for Far East Region

MM3110104094 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 94 p 1

[Report by Aleksandr Pelts, incorporating interview with Russian Defense Minister Pavel Grachev—date, place not given: "Russia's Far Eastern Borders Are Reliably Defended. The Troops Are Capable of Fulfilling Any Task. On the Results of the Working Tour of the Far East by Russian Federation Defense Minister Army General Pavel Grachev"]

[FBIS Translated Text] In Ulan-Ude, Pavel Grachev heard a report from Colonel General Valeriy Tretyakov, commander of the Transbaykal Military District, and on the basis of what he had heard, he set concrete tasks for the district command. In an exclusive interview specially for KRASNAYA ZVEZDA, the minister spoke about the initial and, as yet, general results of his trip and troop inspection.

First and foremost, Pavel Grachev noted, he was able to draw the conclusion that despite economic and political difficulties the troops of the Far East region are combat-capable, strong psychologically and in terms of morale, well managed, and prepared to fulfill the tasks set. The second conclusion the minister drew is that in the wake of the measures carried out in the past two years to reorganize the Armed Forces, Russia's troops have begun to engage in full-blooded combat training, although not yet on the scale that one would wish. This is hampered primarily by the shortage of fuel, which is characteristic of the Far East region, where numerous aviation units and naval forces are stationed.

The defense minister also saw for himself that significant measures must be taken in this region to bring the units and formations up to strength with new models of equipment and arms, something that is particularly pressing for aviation and for air defense and ground forces subunits.

Fourth—Army General Pavel Grachev stressed in the interview—he personally, the group of General Staff generals who were working in the Far East prior to his arrival, and also the districts' command had finally come to the conclusion that the region must go over to a new command and control structure. It is a question of creating a regional territorial command. The minister noted particularly that the purpose of this reorganization is to ensure that in this most important salient of the safeguarding of Russia's national interests there should be one commander, one commanding officer, who would control all the diverse forces and resources. He will be invested with full responsibility for ensuring the security of that part of Russia in which he is stationed.

At the same time, Pavel Grachev noted, organizational and staff measures to reduce the grouping of forces in the Transbaykal Military District and in the region as a whole will continue. The concrete plan for these measures still needs further work at the General Staff. But relevant tasks have already been set at the working conference that was held with the command of the Far East region's districts. First and foremost this affects subunits of missilemen, airmen, and air defense.

And one last point noted by the minister. He expressed himself delighted with the state of the relationship that has grown up between the Far East region command and the local administrations. These links are firm, and as a result not only the servicemen, but the local population of the region, who are experiencing difficulties with the approach of winter, receive all-around assistance. This was the case in Maritime Kray with the flood victims, and it was the case in the Kurils.

During his work in the Transbaykal Military District, Army General Pavel Grachev visited the paratroopers of a brigade commanded by Colonel Vyacheslav Borisov, an Afghan veteran. The minister observed a routine combat training exercise by the paratroopers, after which he visited a communications unit and a production association that fulfills major Defense Ministry orders.

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Shikhany Facility's Future Still Undecided

MM2810124994 Moscow Russian Television Network in Russian 05000 GMT 28 Oct 94

[From the "Vesti" newscast: Video report from Saratov Oblast by I. Deryugin and Ye. Gerasimenko, identified by caption]

[FBIS Translated Text] Shikhany is a small settlement in Saratov Oblast which has been closely associated with chemical weapons throughout its existence. On a territory of 400 square km, fenced off by barbed wire, there is a military institute which used to develop various kinds of chemical weapons and a test range where these weapons were tested. It would appear that there are now fewer secrets surrounding Shikhany. As for the chemical weapon destruction itself, there are still considerably more questions than answers.

Despite the Shikhany facility's powerful scientific and production base and the size of its test range, it does not even feature in the draft state program for chemical weapon destruction. The military blame the Greens for this, saying that they have frightened the local population and authorities with possible consequences of the process of chemical weapon destruction. The Greens in turn suspect that the military have their own plans for Shikhany's future.

While the debate goes on about the best choice of technologies and sites for the destruction of the toxins, Shikhany's population of 15,000 exists without a normal water supply. Nor does the settlement have the status of a special facility which would mean certain privileges for the population, whose future looks singularly bleak.

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International Affairs

Talbott, Udovenko Discuss NPT, Security

LD3010154794 Moscow INTERFAX in English 1350 GMT 30 Oct 94

[FBIS Transcribed Text] The U.S. regards the request of Kiev for giving to it guarantees for security and territorial inviolability of Ukraine after it joins the Treaty on Non- Proliferation of Nuclear Weapons [NPT] with understanding, Ukrainian Foreign Minister Hennadiy Udovenko cited U.S. envoy Strobe Talbott. Udovenko said Talbott had stated this during their meeting in Winnipeg on October 26.

Udovenko repeated that Ukraine proposed that the U.S., Britain, France and Russia sign a multilateral document guaranteeing security of Ukraine after it joined the Non-Proliferation Treaty during the CSCE summit in Budapest in December 1994.

The provision guaranteeing security of Ukraine could be included into one of the documents which Ukrainian President Leonid Kuchma will sign during his visit to Washington in November. France has already stated that it is ready to give to Ukraine the appropriate guarantees for its security, Udovenko added.

Russian President Boris Yeltsin confirmed that Russia was ready to give to Ukraine such guarantees during his conversation with Kuchma in Moscow on October 21, Udovenko said. He added that Britain had not yet made known its position on the issue.

U.S., Kiev Sign Space Accords

LD2910095794 Kiev Radio Ukraine World Service in Ukrainian 0800 GMT 29 Oct 94

[FBIS Translated Text] A delegation from the U.S. National Aeronautics and Space Administration agency has left Kiev. Our talks with it turned out to be productive, as is confirmed by the accords achieved. Valeriy Komarov, deputy director general of Ukraine's National Space Agency, emphasized this in an interview for the Novyny television and radio agency. According to him, this meeting made it possible to come close to implementing a number of important projects, in particular, the possibility of connecting radars to U.S. Shuttle spacecraft for study of the Chernobyl disaster zone. The exchange of photos taken from these spacecraft and from Ukrainian planes is also envisaged with the aim of compiling various maps of our territories.

NASA is showing a readiness to make use of manual universal welding instruments in open space, which have been elaborated and produced at the Paton Institute. Joint actions in the fields of space communications, space biology, and space medicine have been acknowledged as promising.

Kuchma on Canadian Visit, Plan to Visit U.S.

LD2810142694 Kiev UNIAN in Ukrainian 1315 GMT 28 Oct 94

[FBIS Translated Text] Kiev—Ukrainian President Leonid Kuchma on 28 October returned from his visit to Canada.

Leonid Kuchma told journalists about his meeting with Strobe Talbott, U.S. deputy secretary of state, who confirmed that the Ukrainian president's visit to Washington, planned for 22 November, will be made at the State level. Leonid Kuchma said: "Talbott assured me that the United States will do everything to achieve a favorable settlement to the issue of providing Ukraine with security guarantees." In his words, this was "a pleasant surprise" and there are now grounds for a motion on accession to the Nonproliferation Treaty to be submitted for parliamentary consideration.

Leonid Kuchma pointed out that Canada's Ukrainian community has a unique influence on government policy making, and that is why "it came as no surprise that it was Canada which said the decisive word on the provision of economic assistance for Ukraine at the G-7 Naples meeting."

Asked by a UNIAN correspondent whether the arrival in Winnipeg of Russian Foreign Minister Andrey Kozyrev was a surprise to him, Leonid Kuchma said it was not. He added that he did feel real support by Russia, which he acknowledged is Ukraine's largest creditor.

Leonid Kuchma further said that prior to the Winnipeg "Partnership for Economic Reform in Ukraine" conference, he told U.S. President Bill Clinton during a telephone conversation that the presence of Russian and Turkmen delegations at the conference was necessary.

Assessing Andrey Kozyrev's speech at the conference, Leonid Kuchma said he likes what Mr. Kozyrev said to Western creditors about aiding Ukraine, calling on them "to help Ukraine, but not the way help was given to Russia." He described the conference's decision to allocate to Ukraine an initial loan of $365 million as a step toward Ukraine by the G-7.

Leonid Kuchma also said that an Uzbek delegation is expected to pay an official visit to Kiev in the very near future, adding that he himself is going to Turkmenistan, where he is to sign a document on debt repayment by Ukraine.

Describes Visit as 'Successful'

LD2810150594 Moscow ITAR-TASS World Service in Russian 1359 gmt 28 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Translated Text] Kiev, 28 Oct—"I would describe my first state visit to Canada as very successful and

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constructive," Ukrainian President Leonid Kuchma told journalists today after his return from a five-day state visit to Canada.

According to Leonid Kuchma, the visit was an important stage in the development of "special, partner-like relations" between Ukraine and Canada. In the president's opinion, the agreement on friendship and cooperation signed between Canada and Ukraine, and a range of other agreements aimed at expanding bilateral links in the economic and commercial fields and the military and other spheres will help strengthen the economy of the Ukrainian state and its structural reconstruction.

Leonid Kuchma reported that Canada would help Ukraine financially in making the transition to a market economy. In particular, it foresees allocating 23.8 million dollars [currency not specified] to the program of technical aid for the reforms and 13.5 million dollars to meet Ukraine's debt to the IMF.

The possibility of Ukraine joining the Nuclear Weapons Non- proliferation Treaty was also discussed in Ottawa. Leonid Kuchma said he informed Prime Minister Jean Chretien that a decision on this had been submitted to the Ukrainian Parliament and would be adopted. The future of the Chernobyl nuclear power station was also discussed. The president told his Canadian counterpart that Ukraine is prepared, in principle, to close it, but this entails economic and technological difficulties which would take time to resolve.

Leonid Kuchma is also pleased with the outcome of the international conference, "Partnership for Economic Change in Ukraine," which was held during his visit to Winnipeg. The Ukrainian head of state said he had succeeded in securing international recognition for the economic reform policies embarked upon by Ukraine.

Shmarov Signs Cooperation Agreement With Canada

LD2710151394 Kiev Radio Ukraine World Service in English 0100 GMT 27 Oct 94

[FBIS Translated Text] As reported from Toronto, Canada by UKRINFORM's special correspondent on 26 October, Ukraine's Defense Minister Valeriy Shmarov has said that Ukraine's military cooperation with Canada is aimed at participation in peacekeeping missions.

In an interview with UKRINFORM's correspondent, Mr. Shmarov said that the agreement on military cooperation signed between Ukraine and Canada and a memorandum on the agreement's practical realization provided for training Canadian soldiers in Ukraine and Ukrainian soldiers in Canada, mutual exchange of useful information, and Ukrainian-Canadian measures aimed at guaranteeing peace in their respective regions and the world as a whole. This, according to the minister, is of great importance to Ukraine today.

Mr. Shmarov signed the above-mentioned document on behalf of Ukrainian President Leonid Kuchma, who is on a five-day visit to Canada.

On perspectives of partnership between Ukraine and Canada in space exploration, Mr. Shmarov noted that although Canada does not have a rocket-launching pad and satellite carriers, it is an authority in space technology, especially in the manufacture of different types of satellites.

During our talks with the leadership of Canada's space agency, we earmarked a series of areas where we could cooperate. Among such areas are space scientific research and creation and use of satellites for monitoring the Earth's surface, said Mr. Shmarov.

Possibilities of using Ukraine's rocket carrier Zenit and its modification Zenit 3 and Tsyklon for hauling space satellites into orbit were raised. According to the Ukrainian defense minister, possibilities of future conversion of Ukraine's strategic rocket carriers, which are to be reduced in accordance with the START 1 agreement, were also examined.

Russia Changes View on Black Sea Fleet

LD2910230894 Kiev UNIAR in Ukrainian 2245 GMT 29 Oct 94

[FBIS Translated Text] Sevastopol, 29 Oct—In an interview for Crimean radio, Ukrainian Deputy Prime Minister Yevheniy Marchuk reported that Russia has somewhat changed its position on the Black Sea Fleet and taken a step to meet Ukraine's interests halfway. "We would not be solid partners, Ukraine and Russia, if we rejected everything which has been elaborated by previous administrations. We have changed the vector of the negotiating process from 'division for the sake of division' to the creation of new structures for organizing interaction and cooperation."

Ukraine, Hungary Sign Border Accord

LD2810204694 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 28 Oct 94

[FBIS Translated Text] An accord was signed between Ukraine and the Republic of Hungary on handing over and accepting individuals across the joint border. The signing took place at Ukraine's State Committee for Protection of the State Border. Viktor Bannykh, acting chairman of the State Committee for Protection of the State Border, and Leonid Borodych, first deputy internal affairs minister, signed the document for Ukraine. Istvan Varga, ambassador extraordinary and plenipotentiary of the Republic of Hungary to Ukraine, signed the document for Hungary.

Official on IMF Credit Approval

LD2710211094 Moscow ITAR-TASS in English 1841 GMT 27 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

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[FBIS Transcribed Text] Kiev October 27 TASS—The Ukrainian authorities consider the first IMF credit to Ukraine to be its recognition as an equal partner of the international community, Ukrainian Vice-Premier Igor Mityukov told a briefing here today.

The IMF heads approved the issuance of the 371 million dollar credit on Wednesday. The credit will be used for structural transformation of the ukrainian economy.

In the words of Mityukov, the bold program of radical economic reforms has been approved by both international fiscal organizations and governments of the G-7. "Ukraine will use the IMF credit efficiently and rationally. It will be used to cover the deficit of the payment balance and critical imports," said the vice-premier.

Ukraine has developed a scheme of the credit use. The money will be exchanged to the national currency and partially cover the budget deficit. "The lowered pressure on the budget will boost structural reorganization of the economy," said Mityukov. In his opinion, the budget deficit will not exceed ten per cent by the end of this year, and this corresponds to conditions set by international fiscal organizations that are helping Ukraine.

Mityukov on EC Debt Payment Plan

LD2810174194 Kiev UNIAN in Ukrainian 1630 GMT 28 Oct 94

[FBIS Translated Text] Kiev—Ukraine's Deputy Premier Ihor Mityukov said in an interview with UNIAN today that the Government is planning to pay out the 65 million ECU indebted to the European Community by the end of 1994.

The deputy premier also said that the Government has revised the schedule of settling the debt and the schedule of reserving state currency funds to settle the debt.

In the opinion of Ihor Mityukov, the settling of the debt will allow formal restrictions to be lifted on aid to be rendered to Ukraine by the European Community.

National Affairs

Kuchma Interview on Economic Program

MK2810133094 Moscow NEZAVISIMAYA GAZETA in Russian 28 Oct 94 p 3

[Interview with President Leonid Kuchma by Vladimir Skachko: "'I Shall Be Nobody's Vassal.' Leonid Kuchma Faces Very Many Problems"—place not given, "a few days ago"]

[FBIS Translated Text] A few days ago Ukrainian President Leonid Kuchma gave an exclusive interview to journalists of the Ukrainian TV company Nova Mova and NEZAVISIMAYA GAZETA.

[Skachko] Leonid Danilovich, what was your mood on your first landmark: 100 days as president?

[Kuchma] My mood is good. Today I understand very well what needs to be done in Ukraine. I am happy that the majority of people in the country now share my ideas, that they support what I am advocating today and what I was advocating during my election campaign. Although, on the other hand, I can see: The rate of the karbovanets is falling, inflation is growing, and people are becoming poorer. This does not please me but there is no other path for Ukraine except the market.

[Skachko] What can you say about the results of your work in the first few months of your presidency?

[Kuchma] It was hard. I had to change the whole team that worked in the presidential staff. Today quite new people have come there. And this is what should have been done, I am sure. But, as you may realize, it is almost impossible to form a new team within such a brief time span. Therefore they do the right thing in the United States by electing a president in November and inaugurating him in January. Time is needed to make preparations, and we want to do everything overnight, in one fell swoop, as they say.

[Skachko] What was the first problem you encountered when you took up the president's chair?

[Kuchma] I was effectively aware of all the problems confronting Ukraine. I knew that the decline in production had moved beyond acceptable limits. But a few days later, when I had a chance to study the situation a little better, I also understood that many people in the upper echelons of power only declare their intentions to do good for the Ukrainian people—but if one takes a closer look at their work, one sees something totally different.

[Skachko] In combating crime, are you not going to settle accounts with you political opponents?

[Kuchma] On no account. The entire society sees that it is no longer possible to go on like this.... It is impossible to move further without controlling crime. Indeed, it is not the executive branch that rules today but the "fifth branch"—the mafia. When I became prime minister of Ukraine, I also started by putting things in order. When I took up this post, I saw that beet root and corn remained unharvested, in the fields, and that oil reserves were at zero. And everybody knew where it had gone: It was stolen. I understood that unless elementary order is ensured in the state, nothing will happen. As president, I realize all the more that this evil must be stamped out once and for all. There are two ways of doing this: The first is the one we are following now, fighting crime directly. The other is when the cause of these phenomena is eradicated. If the economy operates normally, many crimes will simply disappear.

[Skachko] And this is why you have chosen the path of market transformations?

[Kuchma] I have always had the possibility to study and weigh everything, and to analyze the experience of other countries. We are not the first to follow the market path,

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and, as they say, neither are we the last. There is no other path for us because what has taken years to create we have reduced to a terrible condition. I would like to stress once again: Both I and people sharing my positions—economists, bankers, and entrepreneurs—were holding consultations, and therefore I was in no hurry to make a program statement in parliament. We studied the situation, analyzed the proposals made, and came to the conclusion: In spite of some differences, none of us could see another way except the market. Including myself.

[Skachko] And this is why you decided to tell people the truth?

[Kuchma] Yes, from the rostrum of the Supreme Soviet I told the truth, namely that when the state coffers are empty, we cannot develop. This year we have not been able to pay a single kopeck on our debts, even on servicing our credits. Our foreign debt is $7 billion. How much longer can we go on living on credit? We must live according to what we have in our budget; we must stop and say: There will not be another populist decision. Moreover, tell me, what state is there that can cope with our situation, when one-third of the budget goes in various benefits for the entire population? These benefits are enjoyed both by a millionaire and a person who cannot make both ends meet. Is this social justice?

[Skachko] Toward which specific country will you be orienting yourself in your activity: the Western countries or, by tradition, Russia?

[Kuchma] I have said it once and I will say it again: I am not accustomed to being anybody's vassal. I did not become president of Ukraine and pass such a thorny path to be Russia's vassal. Neither do I think Russia needs this. I am sure that only partnership will benefit both Russia and Ukraine, and all the neighboring states.

I feel that Russia is closely studying all those who have come to power in Ukraine. This is normal, because there is so much that links our states.

[Skachko] And what would you say about the West?

[Kuchma] I am glad that the West already understands what Ukraine is like today, and what weight is has and can have in the world community, especially considering our geographic position. The West seems to have finally seen that a leadership has come to power in Ukraine which is going not only to make declarations, but also move toward the world community about which we have been telling our people for three years now. The West seems to have understood that there have been concrete steps on the part of Ukraine. At least I as president have tried to show this by my actions both in the economy and in politics.

[Skachko] Who, and what, can help us today?

[Kuchma] Unfortunately, we have such an industry and such an agriculture that we can only say: This is not our fault—it is our trouble. In order to "cure" our economy, credits have to be obtained from somewhere. Today our in debt to Russia alone is several billion dollars. This year our debts to Turkmenistan have approximated $1 billion. They supply us with gas and we only sign agreements, and deliver nothing in return. But I am not proposing to sell Ukrainian property for debts. I am proposing to create financial-industrial groups that would be of interest to our producers and all others who will want this and who will find this beneficial. I am proposing to organize interstate joint-stock companies. Horizontal links must start working. The market—if we not only pronounce this word but actually move toward it—relieves the state of very many production obligations and also the responsibility for the situation of particular enterprises. We cannot create yet another statewide body that would be planning leveling indiscriminately.

[Skachko] There are some very influential forces in Ukraine today which would like to integrate more closely within the economic space of the former USSR. They can be a serious impediment for you....

[Kuchma] I would like to ask them: Who are they going to create a single economic space with? With Russia, Belarus, or Moldova? All these countries are way ahead of us in undertaking market reforms; Belarus, for that matter, has started down this path by freeing prices. With whom are they going to work in the old way? I am saying this so that we do not find ourselves in the situation of North Korea or Cuba. Of course, I do not completely discount a planned economy, but this should be planning on a statewide program basis, not the way it used to be in the USSR.

[Skachko] How are your relations with the Ukrainian parliament shaping up?

[Kuchma] So far I have found understanding on the part of the majority of people's deputies. I sensed such an attitude toward me after my speech in parliament. In the parliament leadership, I like the fact that speaker Oleksandr Moroz is talking about the need to support my program. To be sure, parliament has certain critical comments to make, but I like it that so far we have been coordinating them in a civilized manner, not in a gladiators' arena. Nobody will gain from confrontation today. But I have told the Supreme Soviet loud and clear, and I can repeat it now: I do not see any other path except the market, and I shall follow only this path.

[Skachko] Now that parliament has supported your program, what is your forecast for your further work?

[Kuchma] The first year of the presidency is going to be very difficult because some drastic changes are to be undertaken in all the branches. I appealed to all parties, movements, and organizations: If we want to build a Ukrainian state, first a strong economy must be put in place, and this can be done only when there is calm in society. Therefore I repeat: The first year will be crucial

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for me as president. I have children and grandchildren; I want them to live in a rich state, and I shall do everything to bring this about.

[Skachko] Mister President, during the interview you have sighed quite often. Why?

[Kuchma] Well, because a very hard path lies ahead, and I am worried not about myself, but other people. Today, indeed, there is so much that needs to be done as a matter of urgency.... And, naturally, I have very many problems to deal with. So far there are very many contradictions between the presidential staff and the government—and this should be a single team. I am accustomed to candor: When you want to say something, say it directly, looking straight into the eyes. Meanwhile there are many people in the executive and legislative branch in Ukraine today who feel no responsibility for the situation in the state and are not ready for sustained work. Many officials, it seems, have come to serve their time, to satisfy their interests: They say one thing and do another. As though their days were numbered. How can one possibly not sigh in this situation?

Kuchma Cites Billions Needed for Reforms

LD2810160494 Moscow ITAR-TASS in English 1455 GMT 28 Oct 94

[By ITAR-TASS special correspondents Dmitriy Gorokhov and Nikolay Setunskiy]

[FBIS Transcribed Text] Winnipeg October 28 TASS—"Partnership for Economic Reforms in Ukraine" was the title of an international conference held here on Thursday.

The keen attention commanded by this representative conference was predetermined by the Naples G-7 summit's proposal to call it and the resolute support given to this suggestion by Russia, which is Ukraine's major economic partner and donor, and, of course, by the bold and well thought-out programme of reforms, adopted by the Kuchma government. The conference was attended by the Ukrainian president, a G-7 delegation, representatives from Russia, Turkmenistan, and several international financial and crediting bodies, including the IMF. The Russian delegation was led by Foreign Minister Andrey Kozyrev. Russia's more high-ranking representation compared to other countries, except Canada, was assessed here as proof of its great attention to Ukraine's problems, to the need of effective international aid to that friendly country.

"My first steps as Ukrainian president," President Kuchma told the conference, "were primarily intended to create the necessary climate for market reforms. I wish to stress here that the help of our partners all over the world would play a huge economic role in the promotion of reforms in Ukraine. It goes without saying that the international community's financial assistance is not the only factor guaranteeing the implementation of economic reforms in Ukraine, but it is particularly important for us today," the Ukrainian president noted, adding that his country needed seven billion U.S. dollars to ensure their successful implementation in 1994-1995.

"Ukraine's economic revival will be most important not only for Ukraine, but for Russia and the entire Commonwealth of Independent States," Kozyrev stressed, recalling that Russia was Ukraine's principal partner, which provided it, among other things, with vitally necessary power resources at preferential prices, which are far below the market costs. "Realising Ukraine's financial straits," Kozyrev noted, "Russia has been paying during the past two years not only its portion of the former USSR's debts, but also the Ukrainian share. It was noted that if an agreement on the readjustment of the Ukrainian debt was achieved, this would mean that Russia's aid to that country would add up to 700 million U.S. dollar.

The minister expressed the hope that the conference would help find 600 million U.S. dollars to pay for import goods that are particular important for Ukraine until end of the current year. He expressed the hope that a part of this sum will be used to pay for the future deliveries of energy-carriers from Russia, Turkmenistan and other countries, which would help guarantee their deliveries. "We must hasten to add concrete substance to the Naples 'package' of measures to help Ukraine, which includes financial and technical assistance amounting to four billion U.S. dollars," he stated.

Kozyrev expressed the conviction that the conference participants which share Russia's view that the sooner Ukraine joined the nuclear weapons nonproliferation, the faster would the climate be created for solving important problems linked with international support to Ukrainian reforms. Particular accent was put on this problem also by representatives from Germany, the United States, some other countries, and the European Commission.

IMF Executive Director Michel Camdessus noted that Ukraine would continue to experience an acute shortage of foreign currency without new foreign credits and subsidies, without easing the servicing of debts, and its national currencies exchange rate would drop sharply, creating a threat to its convertibility. Ukrainian import trade will not recover from the sharp decline of the past three years without substantial financial support and the economic reform will be retarded. "The Ukrainian leadership will find it increasingly difficult to ensure political support to the market economy policy. Camdessus said that the IMF had adopted a decision to grant Ukraine 365 million U.S. dollars, especially stressing the substantial aid given to that country by Russia, the United States, Canada, and Turkmenistan.

It is noted here that the conference was without doubt successful for Ukraine, because its delegation was able to win the international recognition of the Ukrainian

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reforms, which were characterised by the forum's participants as bold, far-reaching and well-balanced measures.

National Bank Introduces Credit Moratorium

LD3010221494 Kiev UNIAR in Ukrainian 2150 GMT 30 Oct 94

[FBIS Translated Text] The National Bank of Ukraine has decided to introduce a moratorium on giving credits in the fourth quarter of 1994. With the aim of halting hyperinflation, which this year could even exceed last year's indices (9,660-12,500 percent according to various calculation methods), the National Bank of Ukraine has proposed granting credits to enterprises "within the limits of returnable amounts," to increase the obligatory reserves (from 15 to 25 percent), and to raise the National Bank's discount rate (possibly from 140 to 180 percent).

Masol on CIS Payment Union Participation

LD2810185794 Moscow INTERFAX in English 1642 GMT 28 Oct 94

[FBIS Transcribed Text] Ukraine's Prime Minister Vitaliy Masol believes that Ukraine is not ready to participate in the payment union of CIS countries.

"We can participate in it only as an associate member until we introduce our own national currency. The president has signed a corresponding agreement only on these conditions," Masol said addressing a conference in Dnepropetrovsk on Thursday."

He refused to name the sum of the stabilization fund needed for introduction of grivna, however, he said that "the available stabilization fund totalling $400 million is unable to stabilize the situation in the republic."

IMF Sets Up Currency Stabilization Fund

LD2810150894 Moscow INTERFAX in English 1231 GMT 28 Oct 94

[FBIS Transcribed Text] Having a national currency stabilization fund in place will be Ukraine's new step, Viktor Yushchenko, National Bank chairman, told journalists in Canada on October 27.

According to Deputy Finance Minister Boris Sobolev, ten countries, the donors of the International Monetary Fund, signed an agreement on the setting up of an emergency fund.

An agreement in principle has been reached, Sobolev said, that $1.5 billion of that fund will be used as a stabilization fund for the Ukrainian national currency. Ukrainian experts believe that Ukraine needs nearly $2.5 billion to set up such a fund.

Ukrainian President Leonid Kuchma has been speaking recently about the need to introduce a new national currency.

Sobolev said that $6 billion mentioned by Kuchma as what the country needed to support the reform would be used to offset the budget deficit without reducing the import.

The G7 group had earlier decided in Naples to make $4 billion available to Ukraine through international financial organizations. Sobolev said that Ukraine would have to offset the $2 billion difference on its own and by using the aid from specific countries on which an agreement was to be achieved.

Kuchma was greatly pleased with what Michel Camdessus, IMF managing director, had to say at the Partnership for Economic Change in Ukraine in Winnipeg, Foreign Economic Relations Minister Serhiy Osyka told journalists at the end of the conference.

He said that the IMF aid and this speech would enable Ukraine to carry the economic reforms through at a faster rate.

He described the speech made by Russian Foreign Minister Andrey Kozyrev as very positive and aimed at solving all issues related to Ukraine and Russia, in particular through the Paris Club.

Minister Comments on IMF Loan

LD2810132694 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 28 Oct 94

[FBIS Translated Text] Serhiy Osyka, Ukrainian minister of external economic relations, said the conference of representatives of G-7 and international monetary and financial organizations to boost economic reform in Ukraine began in a constructive manner and has lived up to our expectations and hopes. In particular, we are very pleased with the speech by IMF Managing Director Michel Camdessus, he added, saying that his speech and IMF assistance will enable Ukraine to speed up economic reform and bring about the results required.

New-Style Communist Party Reasserts Itself

MM2710131794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Oct 94 p 1

[Report by Olga Musafirova: "It Emerges That Communists Aren't Guilty of Anything"]

[FBIS Translated Text] Kiev—As we know, the Ukrainian Supreme Council has repealed the law of August 1991, having recognized that the Communist Party is not guilty of anything. Further, the business is already a thing of the past. Back before the parliamentary elections the Justice Ministry registered the new-style Communist Party, which, its leaders asserted, had nothing in common with its predecessor, which was totally disgraced, as it was, by gulags, famines, and putsches.

The move turned out to be strategically popular. The "New Reds" gained a majority of seats in parliament: Every fifth deputy is a communist.

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The leaders of the Communist Party of Ukraine were quick to assure that the party was not claiming anything other than the people's confidence. But it is not hard to predict that in the near future they will assertively submit for discussion the question of the party's property and money: If they are not guilty, it should be returned to them! Then President Leonid Kuchma will have to leave his residence, surrendering his office to Central Committee First Secretary Petro Simonenko. After all, the presidential chambers are the former building of the Ukrainian Communist Party Central Committee!

Clearly, these people who have had their rights restored will be taking an altogether stern line with the new president. They are calling for Leonid Kravchuk to put on trial; and for the moment they are seeking a friendly chat with Kuchma insofar as he is not living up to people's expectations. The parliamentary majority does not like the overly capitalist intentions to introduce private ownership of land, actively reform the finance and credit system, and so on, which were announced by the president recently in his report-cum-message to the Supreme Council.

Socialists Elect Moroz as Party Head

LD3010183894 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 30 Oct 94

[FBIS Translated Text] The fifth congress of the Socialist Party of Ukraine concluded its work in Kiev on 30 October. During a two-day period, the delegates listened to and discussed reports from the political council and the control commission, as well as proposals on amendments and additions to the statute and the political report.

The congress decided to introduce the post of head of the Socialist Party. Oleksandr Moroz, a people's deputy of Ukraine and member of the political council, was elected to the post. A new composition of the political council was also elected. It was decided to create an executive body and a political executive committee within its structure. The political council held an organizational meeting on 30 October.

Crimean Council Fails To Decide on Constitution

LD2710234794 Kiev UNIAR in Ukrainian 2220 GMT 27 Oct 94

[FBIS Translated Text] Simferopol, 27 October—The Supreme Council of Crimea failed to make a final decision on the issue of bringing the Constitution of Crimea into line with the Constitution of Ukraine. Serhiy Tsekov, chairman of the Supreme Council of the Republic of Crimea, offered a draft which, he said, was coordinated with Kiev. It envisions the Republic of Crimea defined, in enforceable legislation, as a constituent autonomous part of Ukraine (all references to Crimea's statehood are rejected and Article 9 of the Constitution, which deals with the contractual relations between Crimea and Ukraine, remains unchanged).

At a closed sitting of Crimea's Supreme Council, the deputies held a parliamentary hearing in this connection. It is expected that the issue will be submitted to the plenary sitting on 2 November this year. To approve a positive decision on this issue at least 66 deputies should vote in its favour, which, in the opinion of the Supreme Council leadership, is scarcely probable with a view to the line-up of forces in the current parliament.

Party Regroups Over Russia Issue

LD3010184394 Moscow ITAR-TASS in English 1731 GMT 30 Oct 94

[by ITAR-TASS correspondent Lev Ryabchikov]

[FBIS Transcribed Text] Simferopol October 30 TASS—Ukraine's Crimean peninsula saw a regrouping of political forces at the weekend.

Advocates of the peninsula's reunification with Russia held a meeting to actually restore the Crimea's republican movement of the 1991-92 pattern.

It was followed by an extraordinary congress of the Republican Party, which was convened on the initiative of 14 primary party organizations. The congress drew Crimean President Yuriy Meshkov's supporters who announced their paramount goal was to implement Meshkov's election platform also centred on Crimea's reunification with Russia.

The participants in the congress passed a resolution to isolate themselves from those who "have won deputies' credentials and seats in the Supreme Soviet only to betray the interests of the party and Crimean residents, and to start following a policy favoured by the Ukrainian leadership".

With this in view, the congress approved the decision by the Simferopol and Sevastopol party organizations to expel from the party members of the Crimean Parliament Presidium Petr Morgunov, Sergey Nikulin, Aleksey Mylnikov and Vyacheslav Balla. The participants in the congress also recommended that primary organizations consider expelling Parliament Chairman Sergey Tsekov and several other lawmakers. The gathering decided to recall the expelled deputies from the local legislature.

The congress addressed the Russian State Duma, saying: "We do not want the Crimea to cause external political complications for Russia. But we are flatly opposed to the statement that Crimean problems are Ukraine's internal affair".

"There are some sacred places of the Russian people in the Crimea; this is a home for a lot of people who consider great Russia to be their motherland. And it

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(Russia) has all the necessary legal, political and economic possibilities to provide conditions for determining the Crimea's fate according to the will of its people", the resolution stressed.

Simultaneously with the extraordinary congress, the Republican Party's coordinating council gathered in a meeting chaired by local speaker Tsekov. Participants in the meeting ruled to convene a congress of the party, or to be more exact, of its parliamentary wing, on November 26.

Thus, the Crimea's ruling Republican Party has virtually broken up into two parties, the presidential and the parliamentary ones. Taking into consideration Crimean residents' general sentiments and aspirations, the "parliamentary" party is also trying to amend its line. A group of local parliament members left for Moscow on Sunday for consultations with officials of the Russian president's staff and State Duma.

Crimean Speaker on Need for Ukraine Treaty

LD2910231494 Kiev UNIAR in Ukrainian 2245 GMT 29 Oct 94

[FBIS Translated Text] Sevastopol, 29 Oct—In an interview for Crimean Radio, Serhiy Tsekov, Crimea's Supreme Council chairman, stated that "the signing of a treaty between Crimea and Ukraine on the basis of the law 'On the delimitation of powers' would stabilize the situation. Only after this is done will it be possible to bring the Crimean Republic's Constitution in line with this treaty." According to Tsekov, Crimea's people are now ready for treaty relations with Ukraine.

However, Tsekov believes that Crimea's Supreme Council has not had time to implement Ukraine's Supreme Council resolution on bringing the autonomous republic's Constitution into line with Ukraine's Constitution. Previously, Serhiy Tsekov had stated at a session of Crimea's Supreme Council that even if Ukraine were to approve a decision on dissolving the Crimean Parliament, he would not relinquish his powers and would continue to work in Crimea's Supreme Council.

Lugansk Oblast Makes Russian Official Language

LD2710222594 Kiev UNIAN in Ukrainian 1805 GMT 27 Oct 94

[FBIS Translated Text] Lugansk—The Lugansk Oblast Council session today passed a resolution granting the Russian language official status in the region. The opening of the session was picketed by Communists and the region's democratic forces.

A number of Oblast Council deputies proposed a referendum on Ukraine's symbols as, in their view, those recognized at present are the symbols used by OUN-UPA [Organization of Ukrainian Nationalist - Ukrainian Insurgent Army] militants.

Official Cites Land Ownership by State

LD3010222394 Kiev UNIAR in Ukrainian 2203 GMT 30 Oct 94

[FBIS Translated Text] According to the State Land Committee, 57 million hectares of land—approximately 94 percent of the total area—is currently in state ownership; 2.4 million hectares (4 percent) is collectively owned; and 1.3 million hectares (2 percent) is in private ownership.

According to State Land Committee Chairman Borys Chepko, approximately 60 percent of land will pass into private ownership. Land will not be sold to foreign investors; they will only have the right to lease land plots for periods of up to 50 years with the possibility of extending the lease.

Scientist on Chernobyl Accident Results

LD2710214594 Kiev UNIAN in Ukrainian 1700 GMT 27 Oct 94

[FBIS Translated Text] Kiev—Volodymyr Kryvtsov, candidate of technical sciences and director of the joint scientific and production firm "Mashynobudivnyk-M" [Machine Builder] on 27 October told a UNIAN correspondent about the completion by a group of scientists recently of work to analyze the mixture of a mass of uranium and other materials that formed as a result of the melting of nuclear fuel in the accident at Chernobyl's fourth generating set. The result of the work is that it is impossible to rule out the presence at the center of this mixture a zone qualitatively similar to "black holes" in space, which can emit nothing.

Kryvtsov said that nuclear transformation under way in the remainder of the fuel inevitably causes the emission of elementary particles which, however, cannot surmount the mixture's upper layer, whose thickness is in excess of a certain value estimated to be 16.7 centimeters. In this layer, the absorption of alpha, beta, and gamma particles and neutrons leads to an increase in the temperature in "the black hole." Given that the amount of thermal energy being diverted from the mass of fuel is insufficient, it is possible that conditions may arise for a nuclear thermal explosion. It is also possible that there may form and accumulate isotopes whose critical mass is small, such as, for example, californium, the amount of which for a nuclear explosion to occur need not exceed several grams. Although these explosions are considerably weaker than those of uranium, they cannot be disregarded.

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Belarus

Lukashenka Plans Hospitalization for Back Pain

LD2710224194 Moscow INTERFAX in English 2051 GMT 27 Oct 94

[FBIS Transcribed Text] President Alyaksandr Lukashenka of Belarus suffering from pain because of a slipped disc is to be hospitalized in the next few days, administration officials told Interfax. They said he should have been taken to hospital on Thursday, but because of urgent business, will go for hospital treatment either on Friday or Saturday. Doctors insist on a ten day treatment course to try to relieve pressure on his backbone and remove pain in the small of his back.

Reports say Lukashenka's condition deteriorated soon after he was elected as president. Despite medical advise to attend to his health after the exhausting presidential race followed by inauguration, Lukashenko took no heed.

The officials say the president will now be unable to meet Russia's Federation Council Speaker Vladimir Shumeyko who is scheduled to visit Belarus on November 1.

Condition Becomes 'Acute'

LD2810204494 Moscow Russian Television Network in Russian 2000 GMT 28 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Text] INTERFAX has just reported that Alyaksandr Lukashenka flew to Moscow today for medical treatment. The radiculitis from which the Belarusian president is suffering has become acute.

National Bank Alters Monetary, Credit Policies

WS2810081994 Minsk BELAPAN in English 1600 GMT 27 Oct 94

[FBIS Transcribed Text] At a press conference which was held on October 26 evening, National Bank Chairman Stanislaw Bahdankevich declared that the National Bank intends to fulfill its tasks envisioned by the government's program of urgent measures for leading the economy out of crisis. The National Bank chairman informed the press that his organization had changed its monetary and credit policy. First of all, the National Bank intends to limit money supply. To begin with, the National Bank limited the crediting of the Cabinet of Ministers and commercial banks in the fourth quarter of 1994. In the first half of 1995, the National Bank intends to support solely the government. As for commercial banks, they will not be given credits. By the way, this intention was approved by the International Monetary Fund.

In spite of the unwavering determination of the National Bank to curb inflation and fulfill its mission in accordance with the government's anti-crisis program, Stanislaw Bahdankevich declared that one could not do without an iron will. In his opinion, the implementation of the program cannot be a success without the liberalization of the price-forming mechanism and trade, and without changing accents in privatization.

At the press conference, the National Bank chairman accused People's Deputy Henadz Kazlow of cheap populism. As is generally known, from the rostrum of the Supreme Soviet's session H. Kazlow had declared that he and a number of other lawmakers started collecting signatures so that the Constitutional Court may examine the lawfulness of the Belarusian ruble's denomination. Kazlow also suggested that Mikhail Chyhir and Stanislaw Bahdankevich submit documents that shed light on the authorship of the decision which allegedly entailed a further decline in living standards. Stanislaw Bahdankevich said that Belarusian people had not suffered from denomination. As for the authorship, according to Bahdankevich, that decision was made by him as he "had to do it because of the parliament's inaction. And a deputy of the parliament cannot but know this." That is why Stanislaw Bahdankevich considered Henadz Kazlow's position to be populist, with a view to increase his rating on the eve of the forthcoming legislative elections.

Agrarians Oppose Policy

WS2810141294 Minsk Radio Minsk Network in Belarusian 1300 GMT 28 Oct 94

[FBIS Translated Text] Today, public organizations representing agrarians presented the Belarusian president and the Supreme Soviet chairman with an open letter. The letter states: Our appeal to you was prompted by concern for the future of our state and the alarm caused by the Belarusian National Bank resolution of 5 October 1994 entitled: On the Directions of Monetary-Credit Policy in the Republic of Belarus in the Fourth Quarter of 1994 and First Half of 1995. The resolution is oriented toward a purely monetary approach, which in practice amounts to relying on shock therapy during the transition to a free-market system.

The principal problem is that a decrease in production is going to be all-encompassing and uncontrolled, with all the ensuing consequences, including social flare-ups. The shock therapy will be especially ruinous for the agroindustrial sector, based on agriculture, the productivity of which is seasonal and depends on nature. That is why this sector, more than any other, has the right to credits and protection from the state. By whose interests was the National Bank driven while passing the resolution?

Commentary on Lukashenka Economic Policy

MM2610175794 Moscow IZVESTIYA in Russian 26 Oct 94 p 2

[Report by Igor Sinyakevich: "Belorussia in Debt Trap"]

[FBIS Translated Text] Minsk—With every passing day ordinary Belorussians [Belarusians] are increasingly

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feeling the consequences of the previous government's rule. Because of excessive expenditure on social needs during the election race Kebich has bequeathed to Lukashenka a country without a budget and with a state debt of $1 billion, $490 million of which is owed to the Russian "Gazprom."

The latter has set Belorussia [Belarus] a tough condition: paying one third of its debt by the end of the year and settling its debts in full by March 1995. Some observers believe it would have been more advantageous for Russia for Kebich to win the presidential elections and that is why Moscow is making life difficult for the unpredictable Lukashenka. But the government itself believes that Russia would also have demanded its debts from Kebich in an even tougher form, it simply did not want to do so during the elections.

One way or the other, the Belorussian [Belarusian] Government has taken a firm line on debtors. Vice Premier Valeriy Korakev announced at a recent press conference that over 120 enterprises have been disconnected from the gas supply network for failing to pay. A further 40 or so have found themselves without electricity. It is true that they are mainly small enterprises. But, the vice premier promised, large enterprises will also be disconnected. Korakev said that hot water for citizens' apartments will be provided three times a week.

The tough measures have produced results. Whereas in early August the Belorussian [Belarusian] enterprises paid for only 30-35 percent of their current consumption of gas and electricity, in September this indicator had risen to 82 percent. Nonetheless the cabinet of ministers considers it unrealistic to pay off the debt without involving foreign loans.

That is why Chyhir's government attaches very great importance to relations with the IMF. A representative Belorussian [Belarusian] delegation consisting of Premier M. Chyhir, Vice Premier M. Myasnikovich, Foreign Minister U. Syanko, and National Bank Chairman S. Bahdankevich is now in the United States. Belorussia [Belarus] hopes to obtain credits of about $700 billion from the IMF.

How Washington will assess the Belorussian program of urgent measures is not yet clear but in Belorussia it has been greeted in varying ways. On the one hand the majority of economists and politicians assess the proposed measures as being long urgent (that applies particularly to financial stabilization). On the other hand, weak spots in the program are noted: the lag in privatization, small and medium business, and the reform of the agrarian sector.

Actually, the program's authors themselves do not deny the accusations of eclecticism. Lev Kryukov, director of the institute of economics, has stated frankly that "program" is too portentous a title for this document, which could more accurately be called simply a "complex of measures" which are often contradictory. As Mr. Kryukov figuratively put it: "You do not have to be interested in the quality of the bucket whose content we are using to put out the fire in the economy."

I think that Lukashenka will be seriously offended if his program is called monetarist. After the massive criticism of Gaydar's policy in Russia, for many Belorussian figures the word "monetarist" has become almost a swearword. Yet Lukashenka's program rests on two foundations: toughening the credit and financial policy and stepping up state regulation. Lukashenka has asked parliament for additional powers for his program. First, the president wanted to receive the right to suspend the operation of laws which contradict the program; second to create a strict "vertical hierarchy" of executive power wholly subordinated to him.

Parliament approved the anticrisis program but did not give the right to suspend the operation of laws. Parliament's decision to approve the regional management scheme suggested by Lukashenka was all the more unexpected. Zenon Poznyak, leader of the national democratic opposition, has called the new system of state administration "semifeudal." Indeed, not a single adjacent country has such an authoritarian state structure model. While in Russia and Ukraine the president's local administrations have, rather, a control function and exist in parallel with the organs of local executive power, in Belorussia [Belarus] the president has received the right, if the local council initially rejects a candidate nominated by him, independently to appoint oblast executive committee chairmen and they have the right to appoint rayon and city leaders. The functions of the local representative organs—the soviets—have been reduced to the minimum.

The democratic opposition has voted against granting the president "czar's" powers but the former pro-Kebich majority has again taken the strong side. Many deputies have evidently decided not to argue with the president for the six months until his powers elapse. And some parliamentarians have been encouraged by the president's sacramental phrase: "It must not be thought that Lukashenka will put any of his own people there. I have already put all my own people there." Most likely the president will simply be obliged to rely on the former nomenklatura to build a "socially oriented market economy."

Number of Oil Wells Increases in Rechitsa

WS2710135494 Minsk Radio Minsk Network in Belarusian 1300 GMT 27 Oct 94

[FBIS Translated Text] The number of wells in the Rechitsa Oil-Producing Directorate has increased by more than 10 facilities. The wells have been drilled since the beginning of the year by Svetlahorsk explorers. In the 30 years that have passed since Belarusian oil was discovered in the Palesse region 488 wells have been drilled in 58 oil fields. What is more, the fields are different with regard to their deposits, which vary from

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9,000 to 34 million tons. Since the beginning of exploitation, 91 million tons of oil and 9 billion cubic meters of accompanying gas have been produced.

Moldova

Snegur Outlines CIS Summit in Factory Speech

LD2810172394 Moscow INTERFAX in English 1540 GMT 28 Oct 94

[FBIS Transcribed Text] President Mircea Snegur in a speech to factory workers in Kishinev [Chisinau] late on Thursday expressed satisfaction at agreements reached during last week's CIS summit in Moscow.

He described the signing of a memorandum on CIS integration and the agreements on a CIS payment union and economic committee as an important step on the way of economic stabilization.

"These measures are aimed at lifting the existing trade barriers and setting conditions for cooperation between Moldovan enterprises and their traditional partners in the East", Snegur said.

The president called for further stabilization of the national currency unit, leu. "It would seem more money supply may well improve the situation against the background of massive defaults and arrears in back wages. But this is a mistaken view because more paper money will lead to a new spiral of inflation and big price rises. But our position remains firm. We will try to shore up the leu and to prevent any financial collapse", Snegur said.

He described as a vital priority the task of resolving the status of Transdniestria and the mainly Gagauz regions.

Although the president indicated a lack of progress in negotiations with Transdniestrian leaders, he relies on common sense by ordinary Transdniestrians who "want to live in Moldova as one state". Snegur described them as "a real force" capable of swaying the leadership in Tiraspol.

The negotiating process between Kishinev and Tiraspol has stalled because the two sides are at loggerheads on a proposed law on the region's status.

Kishinev wants to grant the region the status of a national cultural autonomy similar to that of the Gagauz dominated regions.

The press service of the Moldovan president told Interfax that the new law may be adopted early next month because of pressure by Gagauz leaders. Snegur believes this will help improve the overall situation in the region, push on reforms and shift to a market economy.

EU Official Arrives in Chisinau, Meets Keptine

LD2710222294 Moscow ITAR-TASS in English 1925 GMT 27 Oct 94

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev [Chisinau] October 27 TASS—The European Union considers it expedient for Moldavia [Moldova] to keep the eastern market, the head of the EU [European Union] Department for Relations with New Independent States said here today upon the arrival in Chisinau.

In his opinion, this is especially necessary bearing in mind difficulties of former Soviet republics on their way to the western markets. The EU representative met Deputy Moldavian Minister of Economy Andrey Keptine today. The Moldavian official informed the guest of Moldavian reforms and economic difficulties.

Lebed Disallows 14th Army Inspection by Burlakov

AU2910213494 Chisinau BASAPRESS in English 2000 GMT 27 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 27/10/1994—General Aleksandr Lebed said in an interview with the Tiraspol TV Station ASKET that he will not permit the Russian Deputy Defence Minister, Mikhail Burlakov, to inspect the 14th Army. "If the former commander of the Russian Western Armed Forces will finally decide to arrive in Tiraspol, a scandal will be provoked and he will be obliged to leave for Moscow on the same plane," Lebed said. Local observers state that Aleksandr Lebed has previously displayed his negative attitude toward Burlakov. According to analysts, Lebed became very hard upon Burlakov, after Defence Minister Grachev's recent interview in which he declared that he has nothing to do with the murder of reporter Dimitriy Kholodov in Moscow and that this act of terrorism should have led to his resignation.

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Kazakhstan

Russia's Chubays Assesses Privatization Process

LD2810144894 Almaty Kazakh Radio Network in Russian 0500 GMT 28 Oct 94

[FBIS Translated Text] As has already been reported, Russia's chief promoter of privatization, Anatoliy Chubays, recently visited Almaty. One can only guess the main aim of his visit, as also his private talks with President Nazarbayev. However, the Russian guest met not only the president and the new head of government, but also journalists. As is known, foreign experts—as well as the Russian themselves—have varying opinions about Russia's privatization measures. If you rememember, Mr. Nagatomi, assistant to the Japanese prime minister, warned Kazakhstan not to repeat the mistakes made by Russia. These mistakes, in his opinion, have become—and I quote—grounds for privatization failure in that country.

A certain Aleksandr Solzhenitsyn, in one of his speeches, called the word voucher a swearword, and said that privatization is a fairly redundant exercise. Nevertheless, these are subjective opinions of people who are not directly related to the Russian reform process, in contrast to Anatoliy Chubays, who is the chief privatization motivator of Russia and an ideologist of voucherization for the whole country. We would like to hear his opinion, especially as our national privatization program is practically identical to that of Russia.

So, how does Chubays evaluate the reform in Russia and Kazkahstan; what are the differences and similarities of privatization in both states; what have we done better than Russia and what have we done worse? Let us listen to a recording of remarks by Anatoliy Chubays:

[Begin Chubays recording] On 30 June 1994 we crossed all our T's. It is on that day that we completed the massive-scale check privatization in Russia. By that day we succeeded, as we say, to utilize almost all privatization checks distributed among Russian citizens—148 million privatization checks. By 30 June, 96 percent of them had been invested in Russian joint stock companies. By that time Russia had 40 million stockholders; by that time 70 percent of Russian industry had been converted into joint stock companies; by that time our main aim, the main objective of the Russian check privatization, was reached. As a result, and as the outcome of completion of the check privatization, we have seen absolutely new processes starting in the Russian economy as far as the stocks of the privatized enterprizes are concerned. From mid-1994 a process began in Russia which was fantastic in its dynamics, pace and scale—the process of inflowing capital, of private capital, both domestic and foreign, and as result, prices for stocks of Russian enterprises have grown fantastically. Frankly, we did not expect to see anything like it so quickly. But this is a fact of life. We found ourselves in a situation when market prices for shares of dozens and hundreds of privatized enterprizes skyrocketed overnight—trebled in 24 hours, 100-fold in a month, by 1,000 times in three months. Today, the market price of the Vega radio works is 1,700 nominal values per share, [words indistinct] the oil industry of Russia which was privatized according to our scheme is today 1,000 times higher than its starting nominal price. The same thing is taking place in Russian power engineering, in the aluminum industry, at some machine-building enterprises, and in telecommunications and other industries. The fundamental process—of growing Russian private capital—is under way. This is the main result of Russian privatization, and it means that those 40 million stockholders whom I mentioned are becoming correspondingly richer because their shares are growing in price. These shares are absolutely marketable. This means that the controlling package of shares owned by the government has increased by hundreds and thousands of times, and the enterprises themselves are becoming more expensive and more attractive to foreign investors. I can say that we are happy with the results of the Russian check privatization that was completed in June.

At the same time, speaking about differences between the Kazakh and Russian privatizations, I would like to say that Kazakhs have made better decisions in some cases, and in still other cases I would not call their decisions fortunate. Of course, I am making comments not as a member of the Russian Government, and I cannot assess the work done by the Kazakh Government. Simply being to some extent an expert in privatization, I can share my thoughts with you in this capacity. As I have said, some decisions are better than ours. For instance, you are not giving nominal values to your investment coupons. This is reasonable. This is reasonable. We had such an idea when we were handing out privatization checks, not to determine their nominal value, but unfortunatelt, we have finally chosen to determine it, and it did not bring along anything good. There are some other decisions in the Kazakh privatization scheme which in general, in my opinion, are a lucky combination, a nice symbiosis of the Russian concept of privatization with the Czechoslovak [as heard] one. I would say Kazakhstan managed to combine the best parts of the Russian and Czechoslovak privatization schemes. At the same time, I would say, you have lost time. You have lost time—I mean the current situation in privatization. This loss is very expensive. I have just told you about the capital growth dynamics in Russia. It is clear that such dynamics can begin only after the free privatization stage has been completed. It means the longer the free stage of privatization lasts in Kazkahstan, the longer it will take to begin the real investment inflow. The investment will flow in only after this stage has been completed. I think that one of the most inefficient decisions made in Kazakhstan, as far as privatization is concerned, is setting up holding structures. I am very negative toward such structures in general, especially when these holdings are set up in branches of industry.

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Speaking in plain language, it means a new signboard on old ministries, with the same old people and their management methods. We in Russia faced this, and we had a very tough clash about holdings. We succeeded in maintaining our stance in Russia. As far as I understand, this has not happened in Kazakhstan. Holdings act as a brake on the structural reform of the economy, they act as a brake on inflow of real investment in the economy, and holdings act as a brake on economic reform in the republic. This is my view as, if you like, an expert.

As for your deputies' proposals to stop privatization, I would say this is so painfully familiar. During three years of working on Russian privatization we faced deputies' demands to stop privatization nearly every month. These demands were put forward on the level of the Supreme Soviet in general, on the level of the chairman of the Supreme Soviet in particular; the same demands were put forward by the former vice president of Russia. I would say that the most destructive thing to privatization is to change the privatization program while privatization is in progress. This is the most destructive and unhappy of all possible decisions. Even if the previous program was bad in Kazakhstan, I would not recommend stopping it. But, as I have already said, the privatization concept in Kazkahstan is quite workable and professional. [end recording]

Islamic Fundamentalism, China Threaten Almaty

LD3110093094 Almaty PANORAMA in Russian 22 Oct 94 p 5

[By Dzhanybek Suleyev, editor-in-chief of KHAK-NAZAR agency]

[FBIS Translated Text] The threat to Kazakhstan's statehood is quiet real. Undoubtedly today one of the main topics of sociopolitical discussions is the idea of moving the capital to Akmola. The idea's critics have the same response: the collapsed economy, inflation, and so on. They say: Is moving the thing to worry about these days? Having stated this perfect and at the same time feeble truth, many people gain fame as sober-minded benefactors or malcontent-oppositionists. But these kind of arguments do not explain anything to the ordinary people and they are not notable for their originality, with the exception of Mr. Abdrakhmanov's remarks on the aggressive nature of the Akmola subsoil waters. In reality, there is no attempt to look deeper into the source of this idea which on the whole was unexpected and probably dictated by external forces...

There are several versions of the issue under consideration. One of them is presented below. The hypothesis is based on some realities of world politics and some historical facts.

At present Russia and China have still not settled some territorial questions, but after the well known summit meetings, the majority of large military formations were withdrawn 200 kilometers from the borders on both sides. As for Kazakhstan's relations with its great Eastern neighbor, instead of a particularly neutral attitude towards the lives of the two million Kazakhs living in the PRC, the latter has withdrawn all territorial claims that it had on Kazakhstan. Meanwhile a 400,000 man contingent of the Chinese People's Army is concentrated on Kazakhstan's borders in the Xinjiang Uighur Autonomous Region [XUAR]. The question arises: Why keep and increase this powerful fist not far away from Almaty?

...Islamic fundamentalism is stubbornly building a corridor to Central Asia via Tajikistan. Taking into account the geopolitical situation forming on the territory of the post-Soviet Muslim east, the fundamentalists have a real chance of consolidating their positions on new soil. We should bear in mind that this has nothing to do with the mojahedin and others, but rather the ideological sphere. Fundamentalism and reckless radicalism can easily substitute the national and state ideology which we have never had.

The speed of pauperization in Kazakhstan is particularly high among the indigenous population. And though Kazakhs compared to all other Muslim peoples, frankly speaking, are not very ardent about religion, we should remember that fundamentalism bears a very indirect relation to religion as such. Taking into consideration the animation of the separative sentiments among the XUAR Muslims it can be freely supposed that the PRC is attentively watching the situation and it will take the toughest measures to prevent an Islamic revolution in the Xinjiang Uighur region and territories adjoining China on the other side of the border.

There is a real threat to the statehood of the Republic of Kazakhstan. If the disintegration of everything is aggravated by the Islamic factor it will be a real breakdown. Then the only country (not counting Russia, of course) which could take the vast areas of southern and eastern Kazakhstan under control would be the new superpower: China. In that case, Russia will hold on tight to the northern regions of Kazakhstan and not because they produce grain or because of the notorious protection of their brother Slavs, but only because these regions adjoin the strategic Trans-Siberian railway.

Of course, the complete disappearance of Kazakhstan from the world political map is impossible. It is clear that there is an obvious need for a buffer in the dispersion zone if a certain development of events between the former (though this definition is conditional) and the new world powers takes place. It is hard to imagine a better buffer for Russia than the truncated but sovereign Kazakhstan with its capital in Akmola.

P.S. We live in an era of the creation of new myths and phobias. Probably, the proposed development of events will not take place. But, I repeat, all the individual details are possible.

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Nazarabayev Interviewed on Eurasian Union

LD2910142494 Almaty PANORAMA in Russian 22 Oct 94 p 11

[Interview with President Nursultan Nazarbayev by unidentified correspondent; place and date not given]

[FBIS Translated Text] [Question] Nursultan Abishevich, what importance do you attach to the Istanbul summit of Turkic-speaking countries?

[Nazarbayev] First of all, I consider the Istanbul meeting in the context of my idea of convening a conference on cooperation and confidence-building measures in Asia; and in no other way. Any meetings or regional contacts that serve to implement this idea—all the participants in the Istanbul meeting are participants in this conference—are very important to me. Therefore, I take part in these regional events.

The meeting of the heads of the Turkic-speaking countries was originally planned for Baku. But it did not take place. It took place in Istanbul. The Istanbul declaration, which was signed by the six presidents, meets the regional interests of these countries. First of all, it is has an economic purpose.

The agreements we reached there do not at all hinder our countries' relations with other countries, their associations. Five of the six participants in the Istanbul summit that are in the CIS fully understood that the agreements reached in Istanbul do not hinder the mutual relations and commitments they have within the CIS.

The summit is not directed against third states. It can only enrich the CIS that has relations with the European Community, the Arab league, the Pacific Ocean Union, and others. All that will be only good and useful. Any speculation is inappropriate here. Especially as the independent countries themselves construct their own policies and nobody should in any way give them orders on how to do that. As for Kazakhstan, it constantly declares it maintains relations with all neighboring countries, in many areas on equal terms.

Kazakhstan will not accept any kind of Pan-Turkic and Pan-Islamic ideology. I say this everywhere.

[Question] Nursultan Abishevich, two summits—the Istanbul and Moscow summits—are held this week. Many observers are drawing a parallel between the two summits, talking about "Moscow's shadow" in Istanbul. Russian diplomats have said in the Turkish press that they look with suspicion at the meeting of Turkic-speaking countries' leaders, because they think Russia's interests may be infringed. Is there a link between the two summit meetings?

[Nazarbayev] No link. We hope the long-delayed summit in Moscow will take place. The agenda for the summit is known. I think if the agenda is adopted, the main event will be the agreement on establishing an Interstate Economic Committee, its board and the committee itself, and members of the staff of specialists will be confirmed. At last the staff will work on integrating our economies and carrying out executive functions.

My proposal to discuss the EAU [Eurasian Union] was accepted. It will be good if the presidents express their opinion about this question. Possibly no decision on this question will be made during the summit. But if we instruct the existing bodies and experts to prepare proposals on this issue by the next meeting, this will be good.

Six months have passed since Kazakhstan announced the idea of the EAU in March. More than 200 articles have been published in the media over that period. International conferences have taken place. There has been a great response. Specific proposals have been put forward. I have sent them to all the CIS states. Work has been done outside the framework of the CIS. Some countries in Eastern Europe, the Baltic states, China, and others are interested in the idea.

That is why I continue to think that I express the opinion of a great number, maybe, the majority of people who live on the territory of the former USSR. To some extent, in initiating this idea I expressed their will. The main issue in it for me is the humanitarian and human one. The citizens of the former Soviet Union divided by the borders of 15 states should calmly pass into the new circumstances. Nobody should prevent it. This is the first thing.

Further—everybody will benefit by integration—enterprises and the people who work there. For we are starting to lose our internal market, which is very important. Everybody hoped to find a new market but they did not and will not find one soon. World competition is very high. Our products are unable to compete.

I can say one thing—the EAU proposal has nevertheless, urged on the process of integration. That is why the program for intensifying integration has been worked out. That is why the foundation of the Interstate Economic Committee was accelerated. That is why all the republics said that the integration processes in the CIS should be more intense than before.

At the same time, I emphasize that the main issue that will bring mutual understanding, friendliness, and calm to people will be the equality of everyone, the sovereignty of our countries, fraternity, our common fate and history. I think this is the basis on which we can unite. Undoubtedly, the main role in this issue is played by Russia.

[Question] Do you think Kazakhstan's and Russia's relations are becoming cool? There are fewer contacts, President Yeltsin's visit is being postponed...

[Nazarbayev] This is a survival of the past when relations were judged by the number of meetings. During the first years of sovereignty we often associated with and visited each other because there were links, the main thing was we had a common currency—the ruble. When

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Russia pushed Kazakhstan out of the ruble zone, it turned out that we had fewer problems and so there was no need to meet so often.

The dynamics of the development of Russia's and Kazakhstan's relations is high enough. In March we signed 23 documents. It is necessary to prepare documents for the next summit. They are being worked on now. These are, first and foremost, documents on resolving the issue of citizenship. We want the citizens of Russia to arrive freely in Kazakhstan and be granted citizenship where they want to live without delay. And vice versa. There is a whole package of documents accompanying the agreement on Baykonur. The experts are working on this.

Developing its foreign policy Kazakhstan gives Russia special priority in all respects. This is not only because Russia is our neighbor and we are integrated to a great degree. It meets the global and strategic interests of Kazakhstan and Russia. Kazakhstan is also the main partner of Russia in supplying its raw materials and goods, as is Russia for Kazakhstan.

After all, the main thing is the human factor. Today more than 1 million Kazakhs live in Russia. Several million Russians live in Kazakhstan. We have to take these facts into account in our mutual relations.

At this complicated time it is extremely important to find a solution to such problems without conflict, calmly, on a civilized level.

MP Says Kazakhstan Has 'Peripheral Capitalism'

LD2810150294 Almaty Kazakh Radio Network in Russian 0500 GMT 28 Oct 94

[FBIS Translated Text] We are advancing toward capitalism slowly and, who knows, correctly. But what kind of capitalism? For instance, in one of his publications MP Aleksandr Peregrin says that we are moving toward peripheral capitalism. This capitalism has the following typical features: a thin elite layer which copies Western consumer standards, backward production, very slow capital accumulation, impoverishment of the population and, as result, frequent social shocks. Further, I am quoting, "active pumping of excessive capital to developed countries." As the author says, Kazakhstan today has practically all the features of the peripheral capitalism. What are the plans of building such capitalism, which is, in Mr. Peregrin's opinion, being imposed on us by the International Monetary Fund?

This plan consists of as quick privatization as possible, deregulation of foreign trade, and cutting inflation at the expense of tough crediting and financial policy.

Cossack Chief Kidnapped by 'Extremists'

LD2910135994 Moscow ITAR-TASS World Service in Russian 1238 GMT 29 Oct 94

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Translated Text] Alma-Ata [Almaty], 29 Oct—The Eastern Kazakhstan Oblast administration today confirmed that Cossack Ataman Fedor Cherepanov had been kidnapped. It is characteristic that the versions of the Cossacks and the officials basically concur.

According to information from Gennadiy Krutov, the supreme ataman of the Union of Cossack Troops of Russia and Abroad, Cherepanov was kidnapped on 25 October by "Kazakh extremists" who seem to have made his release conditional upon the deportation of Cossacks from Kazakhstan and the payment of a 600,000 dollars ransom.

This is what one of the senior officials of the Eastern Kazakhstan Oblast administration, Argan Gazybolabayev, told an ITAR- TASS correspondent today. On the morning of 26 October, an anonymous person telephoned the Oblast Directorate of the republic's National Security Committee [KNB] and said that he and his accomplices had taken Cherepanov hostage. The conditions for his release were a ransom in hard currency and the eradication of the Cossack movement as such in Kazakhstan.

The oblast administration agreed to hand over part of the ransom. On Friday [28 October] KNB officials arrived at the appointed place to hand the money over but the criminals did not make contact with them.

Cossacks today held a protest march and rally in Ust-Kamenogorsk. Around 200 people took part. Vyacheslav Gava, the first deputy head of the oblast administration, assured those in attendance that a headquarters of representatives of the appropriate republican structures had been set up in the oblast and was now taking every measure to release the kidnapped ataman and find his kidnappers.

Incidentally, it is the hostage's birthday today—he is 32 years old.

'Big Coal Deposits' Found in Semipalatinsk Region

LD2910112794 Almaty Kazakh Radio Network in Kazakh 0200 GMT 29 Oct 94

[FBIS Translated Text] In Ayaguz District of Semipalatinsk region near the Tarbagatay and Sabyrzhan Gabbasov mines, big coal deposits have been found. The coal will be excavated from quarries. This coal basin will be sufficient to fully satisfy demand for coal in all southern districts in the region.

Kyrgyzstan

Akayev's Letter to Constitutional Court

LD2910144594 Bishkek Kyrgyz Radio First Program Network in Russian 0000 GMT 29 Oct 94

[President Askar Akayev's letter to the Constitutional Court regarding elections on 5 February 1995—announcer-read]

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[FBIS Translated Text] To the Constitutional Court of the Kyrgyz Republic. Re: Tackling debatable issues related to using Paragraph 4 of Article 56 of the Kyrgyz Constitution.

The referendum that took place on 22 October 1994 has led to amendments to the Kyrgyz Constitution envisaging that the legislative power in the Kyrgyz Republic belongs to the Zhogorku Kenesh, which consists of two chambers: A permanently functioning legislative assembly consisting of 35 deputies and an assembly of the people's representatives that will work on a session-holding basis comprising of 70 deputies. Thus, in conformity with this constitutional amendment, it is not the Zhogorku Kenesh as whole that is a standing body but only one of its two chambers—namely the legislative assembly. Paragraph 4 of Article 56 of the Kyrgyz Constitution envisages that a deputy of the Zhogorku Kenesh has no right to occupy any state designated posts, in courts, or be engaged in entrepreneurial work. These restrictions are preconditioned by the following factors.

First, it is not realistically possible within the framework of working hours to combine work in the Zhogorku Kenesh on a permanent professional basis with having another full time job other than teaching, research, or a similar creative activity.

Second, the experience of other states has been taken into account, which says that functions of a member of the government are incompatible with a parliamentary mandate.

Third, court activity by its social functions is incompatible with other kinds of state power activity: With the legislative and executive branches. It is evident that provisions of Paragraph 4 of Article 56 of the Kyrgyz Constitution are in full applicable to deputies of the legislative assembly. However, the status of the people's representatives, who will work in the Zhogorku Kenesh only during short-term sessions, cannot exclude the right to have a full time job or be engaged in entrepreneurial activities, with the logical exception of working in courts or as a member of the government.

To this effect, the aforementioned constitutional norm, before being changed in line with the referendum results, needs to be constitutionally interpreted as far as the status of the assembly of the people's representatives is concerned. Especially debatable is the question whether people who occupy posts in executive and judicial bodies of power should surrender their powers from the day when they were registered as candidates to be elected as people's representatives, or whether they can participate in the election without being burdened with this stipulation. In conformity with Subparagraph 2 of Paragraph 3 of Article 82 of the Kyrgyz Constitution, I would ask, after the members of the Constitutional Court have been sworn in by the Zhogorku Kenesh, that they advise me on debatable issues of using Paragraph 4 of Article 56 of the Constitution related to electing the people's representatives' assembly, which is scheduled for 5 February 1995. I believe that pending the clarification given by the Constitutional Court, deputies' powers will be either preserved or surrendered and the work of those mentioned in Paragraph 4 of Article 56 of the Kyrgyz Constitution will either continue or discontinue in case they are elected to the people's representatives assembly.

[Signed] President Akayev

President Legislates Elections on 5 Feb

LD2810182694 Moscow INTERFAX in English 1540 GMT 28 Oct 94

[FBIS Transcribed Text] President Askar Akayev has appointed elections to the new two-chamber parliament, the Legislative Assembly and Assembly of People's Representatives, on February 5.

IF Note: On October 22 there was a referendum in the republic which was held on the initiative of Akayev and a group of deputies from the previous legislative body. As many as 72.9 percent of the population voted for the creation of a new parliament, 9.9 percent - against. Earlier the elections were scheduled for December 24.

The presidential decree stipulates that political parties, blocs, and public associations, working staffs and meetings of electors held at places of their residence have the right to nominate candidates to the deputies of the Legislative Assembly and Assembly of the People's Representatives. In addition, any citizen of the republic has the right for self-promotion.

As many as 35 one-mandate districts are to be formed for elections to the Legislative Assembly and a total of 70 districts—to the chamber of representatives.

In accordance with the presidential decree lists of electors on every electoral district are to be presented not later that 90 days before the elections. Nomination of candidates both to the legislative Assembly and assembly of the people's representatives is to be started three months before the elections and to be concluded 50 days before the elections.

The decision on nomination of candidates is considered valid if more than half of members of leading bodies of the political parties and associations which nominate their candidates are present at the sitting. Parties and associations can propose only one candidate from each electoral district.

Another presidential decree provides for the creation of the republic's Constitutional Conference to conclude preparation of a draft of amendments and changes to the Constitution.

President, prime minister, chairman of the parliament, and representatives of political parties and organizations make up the Conference. The new body provides for quotas for representatives of various national and cultural associations, farmers, businessmen, young people, veterans of war, and artistic unions.

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The draft of amendments and changes to the Constitution is to be published before December 25 this year, a nation-wide discussion of the draft is to be held before February 10, 1995. The Constitutional Court is to consider the draft not later than March 1, 1995.

Tajikistan

Tajik-Uzbek Cooperation Agreement Signed

LD2810203194 Dushanbe SADO-I MARDOM 15 Oct 94 p1

["Agreement on Extending All-Round Cooperation Between the Republic of Tajikistan and the Republic of Uzbekistan"]

[FBIS Translated Text] Taking into consideration the bilateral efforts of the peoples of both countries in extending and strengthening friendly relations, beneficial cooperation, and good-neighborly relations;

expressing determination to develop and extend relations and comprehensive cooperation, the principles of which are set out in the agreement on friendship, good-neighborly relations and cooperation between the Republic of Tajikistan and the Republic of Uzbekistan of 4 January 1993;

acknowledging that there is an urgent need for implementing practical measures for consolidating economic relations and technological and scientific and cultural cooperation;

considering the importance of Tajikistan's and Uzbekistan's joint endeavors aimed at establishing and consolidating peace and stability in the region;

emphasizing the strengthening of cooperation within the framework of the Commonwealth of Independent States;

it is announced that:

1. The Republic of Tajikistan and the Republic of Uzbekistan stress their firm intention to ensure the steady development and strengthening of all-round friendly relations, bilateral and beneficial cooperation, and good-neighbourly relations which are beneficial to both peoples.

2. The Republic of Tajikistan and the Republic of Uzbekistan will coordinate their activities on the path to consolidating peace, stability, and security in the region and on other issues of interest to both countries.

They will hold regular political consultations on ensuring the security of the southern borders of the member countries of the CIS and will develop measures on collective cooperation.

3. The Republic of Tajikistan will support the initiative of the Republic of Uzbekistan on creating a standing seminar on the issues of regional security and cooperation under the aegis of the UN representative office in Tashkent.

4. The Republic of Tajikistan and the Republic of Uzbekistan stress the great importance of the collective security treaty which was signed in Tashkent on 15 May 1992 and will continue their efforts to maintain and extend cooperation in the fields of security and military.

5. Economic cooperation between the Republic of Tajikistan and the Republic of Uzbekistan must be concentrated on preferable areas of industry, energy, transport, communications, agriculture, production of raw minerals and technology as well as in tourism and ecology.

6. The Republic of Tajikistan and the Republic of Uzbekistan will develop concrete measures to maintain technological and cultural cooperation and implement them.

In order to ensure the implementation of these decisions, the leaders of the two countries have instructed their governments:

To draw up an agreement on further development of cooperation in the fields of science, culture, technology, education, health, information and sport,

To prepare proposals on celebrating the national days of the Republic of Tajikistan in the Republic of Uzbekistan and national days of the Republic of Uzbekistan in the Republic of Tajikistan.

7. The Republic of Tajikistan and the Republic of Uzbekistan are of the opinion that development of future cooperation in the field of technology must promote unhindered relations between scientific research enterprises and project and construction workshops on both sides, in particular in carrying out programs and joint investigations in the preferred fields of science and advanced technology.

They will also help to extend long term relations between the Academies of Sciences and scientific enterprises and the wide exchange of technological information as well as educating and exchanging scientists.

8. The Republic of Tajikistan and the Republic of Uzbekistan, stressing their intention to develop commercial relations on the basis of the principles of international equal rights and mutual benefit, will pave the way for further economic integration of both countries in the world economic relations.

9. The Republic of Tajikistan and the Republic of Uzbekistan will establish economic cooperation at the government and administration level in banking, finance and in the fields of the economy, factories and in all kinds of ownership. With this intention they will develop measures in preparing the necessary economic and legal conditions.

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10. The Republic of Tajikistan and the Republic of Uzbekistan, taking into account the benefits to both sides when promoting existing traditional relations, will provide incentives for enterprises for various forms of cooperation.

11. The Republic of Tajikistan and the Republic of Uzbekistan will promote the extension of further relations of cooperation between enterprises in exchanging raw materials and products as well as parts and details.

12. The Republic of Tajikistan and the Republic of Uzbekistan will take particular care of ecological safety, protection of the environment and sensible use of natural resources.

13. The Republic of Tajikistan and the Republic of Uzbekistan believe that ensuring all round consolidation of cooperation between them, further extension of traditional friendly relations, economic stability and conducting market reforms dynamically will promote the protection of peace and stability and security not only in their own countries but also in the region as a whole.

[Signed] Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan.
[Signed] Islam Karimov, president of the Republic of Uzbekistan.
[Dated] Tashkent. 8 October 1994.

Rakhmonov Election Manifesto

LD3010185994 Dushanbe NARODNAYA GAZETA in Russian 19 Oct 94 p 1

["Election Manifesto of Presidential Candidate Emomali Rakhmonov"]

[FBIS Translated Text] Hardly had three or four months passed since the day our country gained independence before the people of Tajikistan found themselves drawn into the discord of playing at democracy and finally into a cruel fratricidal war. There arose the danger of our country's independence suffocating in its cradle. The opposing forces unsheathed their swords and thousands of dwellings, administrative buildings, enterprises, and social institutions were turned into ruins. Many innocent inhabitants of the districts affected by the war were killed. The threat of disappearance as a state hung over Tajikistan.

The 16th session of the Supreme Council, which was held in Khodzhand in this tragic and alarming situation, determined our way to the future and kindled a spark of hope in the hearts of the people.

At that session, after I had been elected chairman of the Supreme Council and had kissed the glorious flag of my homeland, I vowed to do everything in my power and give all my knowledge to establish peace and prosperity in my native republic.

Over these two years, despite many difficulties, we have managed to:

- extinguish the flames of civil war;

- restore the paralyzed structures of power, especially the bodies of law and order;

- create a national Army and forces for guarding the borders;

- strike a blow against the criminal elements engaged in murder, robbery and terror who have tricked their way into the armed forces and bodies of law and order;

- repatriate the vast majority of refugees and forced migrants;

- start restoring everything destroyed by the war; and

- put the draft of the new constitution to a universal referendum after detailed discussion.

Thanks to these beginnings, we all now have the opportunity to adopt the country's constitution and elect a president of the republic.

As a presidential candidate in the country, now too I am loyal to my oath given two years ago and I am ready to do everything in my power for the benefit of the people and the republic of Tajikistan.

It is not my principle to give empty promises. It would be groundless to give my word that when I become president I, immediately, as though by magic, will remove all the burdens which have been placed on the shoulders of our long-suffering people, that I shall construct the life and economy of the republic according to the standards used in developed countries.

However I can say with all confidence we will be able to fulfill our plans and intentions supported by the efforts, assistance, backing, goodwill and reason of the industrious people hoping for a better future and with the assistance and support of friendly countries, first and foremost Russia, Uzbekistan, and others.

Naturally, peace and rest, reconciliation and mutual understanding, the achievement of material welfare and the development of science and culture can be secured only by the observance of laws and democratic values and genuine respect for a person's rights.

In relations with the opposition to the legal government, we have chosen the way of negotiations and national reconciliation and I remain an adherent of that policy.

It is gratifying that substantial progress has been achieved along this path after the negotiations in Tehran.

The sides should understand well just one thing: no force except ourselves will help the Tajiks to get out of this situation. Today it is clear to everybody that the opposition hoping to get help from outsiders will not achieve its goal. They should know that in every armed conflict in Tajikistan innocent people perish, the children of the

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peoples of Tajikistan: Tajiks and Uzbeks, Russians and Tatars, Kyrgyzes and Kazakhs and other nationalities populating the republic.

Our aim and task is to unite all the peoples of Tajikistan, irrespective of their residence, nationality and religion. Today the time has come when the people of Tajikistan have understood the nature of all that division and hostility. After the break-up of the Soviet centralized system,m forces could be found which for the sake of gaining access to the abandoned treasures of the country and the people pushed people into a war among themselves. While the country was in confusion they made a fortune at the expense of ordinary people and stole their material and financial wealth which they had achieved with the sweat of their brow.

Of course this clash of various social strata was not characteristic of only our country. In many newly independent states officials who were stripped off their power or those who claimed it and who in the past had failed to achieve their aims succeeded in organizing political unrest by taking advantage of people's credulity and winning over certain groups of the population.

Due to the fact that Tajikistan occupies a specific geopolitical position various foreign forces found a way to interfere directly.

The enemies of national unity, those who do not recognize the existence of our young state have divided us into real and false Tajiks - people from Garm and Khodzhand, from Kulyab and Matcha, the Pamir and Gissar, Uzbeks and Russians, Muslims and non-Muslims, shamelessly spreading their selfish goals, not only on streets and bazaars, but on the pages of the provocative and libelous press as well.

Calling themselves members of a people's front and heroes of battles and taking advantage of the confusion and ethnic hatred, some of the robbers and thugs permeated the ranks of the national army and internal troops. They posed a threat to the security of citizens and society with their criminal activities. They started inflaming a new trend - localistic tendencies.

Now the working people have come to know the details of the provocative nature and aims of those who are dividing them.

The bodies of law and order have been set the task of paying particular attention to protecting the rights of citizens and especially those who have returned after their wanderings to their places of residences again. Refugees will be offered conditions for living and working peacefully. Worthy specialists from their number will be put forward for posts in local and central bodies of administration.

Our goal is to establish a secular and democratic society and protect spiritual wealth and values that are common to all mankind. The fight against nationalism and various attempts to worsen our relations with our neighbors will be stepped up.

Today we need to create and construct. The people are terribly tired of disagreements, confrontation between regions and mutual accusations, which are stirred up by certain circles. I'm confident that our people will unite under the banner of peace and friendship, of creation and improvement of the homeland. We will try to attain these good goals.

The supreme aim of the republic's economic policy must be an effective economy based on the market. For this we have to reject the state monopoly in the economy. However it would be a disastrous mistake to destroy the existing economy without having first constructed the building of the market economy.

We are connected by thousands of threads to the economies of Russia, Uzbekistan and other countries. And if our economic laws contradict the economic laws of these countries then things in our country will not go forward. There is no sense in talking about a special economic policy when our financial policy is based on using the Russian ruble.

At present it should be noted that compared to neighboring republics and Russia the level of Tajikistan's economic development is very low and that we are (particularly after the suicidal war) undergoing a period of specific technological, nationa! and psychological difficulties. The socio-economic system cannot be changed if the management structure of all branches of industry is not reorganized. For this we have to put in order:

- the credit and monetary system;

- property and goods relations;

- financial relations;

- tax policy;

- foreign economic relations,

- improve methods of production management and maintain the population's social security.

Today's forms of management, which we inherited from the times of anarchy and which we had no opportunity to change because of the situation in the republic, have resulted in anarchy, blatant violation of the law and the suffering of thousands of our compatriots and working people.

It is surprising that though many enterprises have been granted independence the bureaucratic apparatus of production management in local and central bodies has not been cut. That is the reason why not one of the specific programs of economic reforms has been implemented, why they have remained on paper.

In order to overcome this, along with the denationalization first of all of loss-making enterprises and service,

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trade and public catering enterprises, we will develop other forms of ownership such as joint stock, lease and private enterprises. Preserving the state sector of the economy we will establish the strictest control regime and appoint enterprise heads and specialists taking into consideration their competence, knowledge of their job and conscientiousness.

For the future we must not let enterprises be loss-making, workers stand idle and managers receive big salaries on the principle 'I am my boss and my master'. The salaries of state bosses should depend on the results of production and the enterprise's profits.

Let the heads of effective and profitable enterprises have two, three or even more times higher salaries, but such an opportunity must not be given to idlers.

It is necessary to issue decrees, in accordance with which increasing the production of high quality goods and reducing production losses will be the only way of obtaining revenue and increasing wages.

The principle of a leader's personal accountability before the state, instead of empty talks, should become a functioning mechanism.

In my view, first and foremost, it is necessary to improve the work of those sectors of the economy which are not connected or weakly connected with foreign enterprises and are already able now to contribute considerable revenues to the state treasury for the benefit of the workers. These are mostly enterprises which process agricultural products, building materials enterprises and power engineering.

Nowadays there are many wealthy entrepreneurs in the republic. It is necessary to demand that they should work on increasing production of strategic products instead of exporting them from the republic. They have the opportunities to use their capital to establish production enterprises and equip them with modern foreign technology. And it is necessary to work out specific decrees and laws in this field.

Now the task is, by developing cooperation with foreign states, to direct foreign capital mainly at increasing the influx of modern foreign technologies to Tajikistan and get our goods to meet the requirements of the world market and increase revenues to the republic from them. Enterprises which produce goods for export will get all-round support from the state.

Entry to the ruble zone, keeping money in Tajikistan, providing and improving the capital investment policy.

I, as a supporter of consistent unification of the monetary system with Russia, shall assist in making sure this question is fully resolved by the end of the current year. One of the most important ways of keeping money coming into Tajikistan inside Tajikistan is increasing production of high quality consumer goods in Tajikistan's light and food industry enterprises. There is no need to spend money and import goods from abroad which we able to produce ourselves. It is necessary temporarily to limit, using economic levers, the purchasing and supply to Tajikistan from abroad of alcoholic drinks, tobacco products, cotton seed oil and other kinds of production. The main way of keeping money within the republic and stopping the shady activities of the new businessmen is creating the conditions for the fruitful work of the banking system and customs and bringing the mechanisms to prevent currency leaving the republic into order.

It is necessary to put the currency holdings of commercial banks under the control of a specially created body in the president's administration and use them for the good of the republic, preventing capital transactions kept secret from the state, and to take strict material and criminal punishment measures for illegally exporting money and hidden capital investments.

Strengthening the national army and bodies of law and order with personnel devoted to the people and homeland will help make them worthy defenders of peace, security and the unity of our compatriots.

Questions of the defense of the homeland are top priority tasks for the president and his government. Although we did not have any experience of creating a national army, we managed in a short period of time to create with the help of friendly states during a hard political and economic situation an army capable of ensuring peace and security for our fatherland.

I will continue to strive to develop Tajikistan's armed forces. We are concealing our military doctrine from nobody. We make no claims on the territory of any country, and we have no other claims, we are only concerned with the territorial integrity of our homeland and peace for our citizens.

The president should be concerned with increasing the prestige of servicemen, the authority and dignity of the defenders of the homeland and their material situation and living conditions.

The workers of law and order bodies are required to categorically stick to the constitution, republican laws and the norms of international law. And strict measures will be applied to those who violate laws.

The work of the ministries of internal affairs, national security, defense and of the prosecutor's offices must be reconstructed on the basis of the constitution's requirements, and honest and highly qualified experts appointed to head these structures in order that the power structures and law and order bodies are able to defend the country's territorial integrity and eradicate crime, especially organized crime. I am well aware that the law and order bodies are like the mirror of every country. The workers in these bodies represent state authority and act on behalf of it. Every crime committed by them will be considered by the people as a crime committed by the state.

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Currently when the situation is relatively favorable, I consider that it is necessary to check the professional suitability of such workers in order to clean up the ranks of the militarized forces and the law and order bodies and rid them of bribers and law violators and of those who penetrated these bodies through nepotism, bribery and regionalism.

At the present moment the honorable task for the president and other leading bodies in the republic is to be concerned about the honest, devoted and deserving workers in the law and order bodies and their families.

By eradicating crime, gangsterism and bribery we will create the conditions for fruitful and inspired work by people.

The current situation in the republic is very difficult. Lies and deceit, ignorance, theft and robbery have taken root not only on the streets and markets and in residential areas but also in local and central structures of authority thus paralyzing the government. Certain so called "businessmen" spare no efforts to take out of the republic many consumer and strategic goods such as cotton fiber, aluminum and even fuel and foodstuffs. In this respect I think that the present structure of authority promotes this undesirable phenomenon. With the aim of eradicating such phenomena which bring only misfortune it is necessary to undertake the following measures:

- to rid the local and central authority structures, courts, prosecutor's offices, militia, customs and other structures of people, who by taking bribes and engaging in fraud, compromise the state's authority in people's eyes;

- to establish strict measures of punishment for acting treacherously against the government's trust by increasing the accountability of the heads of state bodies in doing their duties;

- all leaders, from the president to local leaders, must declare their incomes and the source of their incomes. The strictest measures of punishment will be taken for concealing the sources and amount of incomes.

- to halt the validity of those laws and regulations which force honest workers to commit crimes;

- to set up an extraordinary body for fighting crime and bribery under the president of the republic.

Our Tajikistan is mainly a peasant country. A harvest can be gathered in from the land in our valleys at any time of year. Unfortunately society's and most importantly the state structures' attitude toward the farmer's work is not sensitive enough. In order to firmly get the country on its feet and keep people from starvation and want in the present difficult situation we have to give paramount priority first and foremost to two spheres of the economy - agriculture and energy. Our people's lives depend on these two important spheres.

Over the next two years we should meet at least half of the republic's grain needs by increasing productivity, effectively using irrigated land and developing neglected land in mountainous regions. Knowing that some farms in a mountainous district like Rushanskiy, where land is not productive, pick over 30 quintals of cereals per hectare, why do not we introduce this experience in other districts?

I have said many times that if I am elected a president I intend to strictly demand that neglected land and hilly plots are handed over to the population in order to give it a vested interest in increasing agricultural production. I will try to achieve an increase in funding for the agricultural sphere and create an effective tax system for this area. Agriculture under any form of ownership will, as a priority, be provided with high quality seeds, fuel, fertilizers, equipment and technology and will be granted preferential credits with the aim of stimulating an increase in food production.

It is necessary to continue to regulate the purchase prices for agricultural production.

The most effective forms of farming are leasing, joint stock holding and individual (peasant) farming.

I am against the hasty liquidation of kolkhozes and sovkhozes. We need these forms of farming very much for producing raw cotton and they must fulfill the state orders.

I think that it is necessary to give more freedom and preferential credits to kolkhozes and sovkhozes and to other forms of farming, to pay more attention to peasants and make them interested in increasing agricultural production.

The social protection of the population is a priority under the conditions of paralysis of the economic reforms and the all- embracing crisis.

It is well known that under the conditions of paralysis of the reforms the living standard of the majority of the population has fallen considerably and it is getting harder and harder to live.

The supply to the population of foodstuffs, medicines and medical services gets worse each day. Previous social programs are not being implemented. It is necessary to implement the following measures to overcome the difficulties:

- setting regulated prices for all types of foodstuffs;

- giving supplementary assistance to invalids, war and labor veterans, supplying them with medicine and foodstuffs at low prices and free of charge;

- increasing student grants;

- indexation of the population's incomes, including pensions, student grants and savings;

- free distribution of dry, neglected and hilly lands to the population;

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- giving financial benefits to civil-war invalids, forced migrants and their families;

- setting unemployment benefits at 60 percent of the average salary of workers at state enterprises;

- sending workers abroad;

- establishing labor exchanges in Dushanbe, Khodzhand, Kulyab, Kurgan-Tyube, Gissar, and Khorog;

- attracting workers to the construction of Rogun and Sangtudin hydro-power stations, the Kurgan-Tyube-Kulyab and Samarkand- Pendzhikent railways and the Kulyab-Darvoz road;

- beginning construction of small and medium hydro-power stations and creating new jobs for young people;

- organizing short-term courses on professional orientation for the young people attracted to construction work;

- material and moral support from the budget and the funds of enterprises for women who are without bread-winners, orphans, needy families and families that have many children; and

- developing and adopting a law on increasing pensions for women.

I consider the intellectual potential of the country to be Tajikistan's main wealth.

Of the abundance of material and natural resources in our fatherland the most important and valuable treasure is the intellectual potential of our society.

Unfortunately, a lot of highly trained specialists, talented scientists, creative figures and cultural workers have left our country because of events of the last few years. The loss of the education potential represents irreplaceable damage to our country.

We already acutely feel this loss equally in the spheres of science and culture, in production and in the educational and moral level of society. I think that it is my duty to guard with care the remaining educational potential and to take care in educating new creative forces. For these purposes I think it is necessary to carry out the following tasks:

- establishing a hard currency fund for the development of science and education;

- giving priority privileges to the spheres of education, science, culture and health care;

- improving student's training and education in the republic's higher education institutions and sending talented young people for training in foreign countries on a competition basis;

- creating special republican schools, including one for 200-300 gifted children from all cities and districts in Dushanbe;

- developing the press and publishing business, which is a determining factor of the ideological, domestic and foreign policy of the independent state Tajikistan;

We bow down before the creative power of the word and the magic power of the pens of writers and journalists. We know that the world knows us due to the work of our writers and scientists. That is why we must create conditions for creative work, publishing works, worthy of their time, by people active in science, literature, art and journalism and, taking into account the rise in prices and inflation, increasing grants for scientific, literature, art and creative workers and innovators.

The free functioning of the Russian, Uzbek and other languages, compulsory and effective studying of the Russian language in all educational establishments of the republic and its use as a language of inter-ethnic communication will be guaranteed in Tajikistan.

We will fight tough against the penetration of pornography and pseudo-culture, for they go against our people's culture and mentality. Conditions will be created for the expansion of space for decent scientific, cultural and information communications.

Tajikistan is not in confrontation with any country of the world and the principles and norms of international law recognized by the world community form the basis of our foreign policy. Therefore we are ready with all respect to give a positive response to any state, wishing to cooperate with us, if this cooperation meets our the requirements of our constitution.

We put the comprehensive development of economic, political and cultural relations with CIS countries first and first and foremost with Russia, Uzbekistan, Kazakhstan, Kyrgyzstan, and Turkmenistan with whom we have had indissoluble relations for decades.

We shall promote the strengthening and raising of cooperation and relations within the framework of the CIS countries to a qualitatively new level.

We shall exert our efforts for further consolidation of inter-governmental relations with the United States.

We hope that the leading countries of Europe, the United States and the Far East will cooperate in the area of mutually beneficial investment.

We think that our relations with the countries which share a common language, history and culture with us - Afghanistan, Iran and Pakistan - will remain steadfast.

We shall strengthen our links with countries of the Muslim East without any conditions or demands.

We attach extraordinary significance to cooperation with our two great neighbors - The People's Republic of China and the Republic of India.

Tajikistan, as a young state and a member of the world community, will continue to observe and respect the

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mass of established criteria of international law, the UN Charter, CSCE documents and other authoritative international organizations.

I am convinced that my hard-working people which knows its worth will as before, relying on unity, fraternity and friendship, live decently and work hard in the name of prosperity for its beloved land and will be proud of its dear fatherland.

Rakhmonov Announces Plans For More Grain Imports

LD2810175094 Moscow INTERFAX in English 1603 GMT 28 Oct 94

[FBIS Translated Text] Tajikistan has imported about 20,000 tonnes of grain from CIS countries. The republic's daily consumption is 4,000 tonnes. Before January 1 the republic is to receive another 400,000 tonnes of grain from Russia, Kazakhstan, Uzbekistan, the United States and Canada, chairman of the Tajik parliament Emomali Rakhmonov told a meeting on Friday [28 October] dedicated to the 70th anniversary of the founding of Dushanbe.

Earlier this week, Rakhmonov said that Tajikistan did not face famine. He said that over 400 cars of grain from Russia will come to the republic before November 1. An agreement on the supply of 800,000 tonnes of grain for 1995 was also reached.

Rakhmonov told those present about the understanding reached with the president of Uzbekistan Islam Karimov about ensuring uninterrupted grain transit from Russia to Tajikistan.

Economy Described as Close to Complete Destruction

LD2910171794 Moscow Mayak Radio Network in Russian 1430 GMT 29 Oct 94

[FBIS Translated Excerpt] Perhaps, among the Commonwealth countries, Tajikistan today outstrips all others with regard to the extent of its economic difficulties. Correspondent Aleksandr Korshunov has the details.

[Korshunov] I would say that Tajikistan's economy is now close to complete destruction, if it has not already been completely destroyed. This is being felt even in what were the traditionally developed and prosperous oblasts, as, for instance, Leninabad—now Khodzhent—oblast. [passage omitted—vox pop interviews confirming lack of foodstuffs, bread, wage arrears, people forced to go out stealing and robbing]

It is fortunate if the country's industry is on average running even at a quarter of its capacity. As a result, unemployment has been increasing, reaching 50 percent. For instance, the large aluminum works, which should be turning out up to 500,000 tonnes annually, today produces hardly up to 15,000 tonnes per month. In addition, for instance, at the Khodzent silk combine, the former famous enterprise under union jurisdiction, and at the Kayrak-Kum carpet combine, the situation is even worse. A few factories have been forced to shut down because of specialists leaving. Essentially the republic is living in debt which amounts to hundreds of millions of dollars, of which, according to differing assessments, between $40 and $50 million are owed to grain suppliers alone.

Bread is the most acute problem for people—there is not enough of it and the daily ration is 160-200 grammes per person, which is comparable to the blockaded Leningrad ration. Bread distribution outlets are guarded by the security service. There is an edginess in the queues and among the security guards, and I was not at all surprised that when we tried to obtain sound recording and television equipment, my colleagues and I were immediately arrested by guards with submachine guns and dispatched to the appropriate place—to the building of the former KGB oblast directorate.

As regards prospects, they exist as it were in two dimensions: in the promises of politicians and in the hopes of the people. Quite recently the authorities promised that by the new year they would receive a large loan, by Tajik yardsticks a huge one—several trillions of rubles. However, considering the fact that Tajikistan has not settled its present debts, it is improbable that it will receive this loan. The hopes of the ordinary man in the street in Tajikstan for an improvement remain just hopes for the time being.

Turkmenistan

Pakistan's Bhutto Meets Afghan Commanders

BK2910095894 Islamabad PTV Television Network in English 1300 GMT 28 Oct 94

[FBIS Transcribed Text] In Ashkhabad [Ashgabat] today, Prime Minister Benazir Bhutto had separate meetings with Afghan commanders General Rashid Dostum and Governor Ismail to discuss opening of a road link to Central Asia through Afghanistan. General Dostum assured the prime minister of every possible support for the implementation of the idea. He said he will make all out efforts to create peaceful conditions in Afghanistan.

Prime Minister's meeting with Commander Ismail lasted more than 40 minutes. The Herat governor assured of his full cooperation for setting up a transit road link. The Pakistani idea is significant in view of promoting economic activities in the region. It can also help in promoting the efforts of Afghan groups for national reconciliation. The proposed road is to pass through areas under Governor Ismail and General Dostum.

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Views Bilateral Cooperation

BK2910110994 Islamabad Radio Pakistan Network in Urdu 1500 GMT 28 Oct 94

[FBIS Translated Text] Prime Minister Benazir Bhutto said Pakistan and Turkmenistan are determined to open a new chapter of bilateral friendship and cooperation. Speaking on the occasion of an Independence Day horse race in Ashkhabad [Ashgabat], she said the two countries will work toward regional peace and stability and the well-being of their people. She noted the joy and pride in the freedom, progress, and prosperity as well as the struggle for peace of the Turkmen people.

The Pakistani prime minister and members of her delegation were received at the function by the chief of the Turkmen assembly. Turkmen artists presented traditional cultural dances, and Benazir was presented a large portrait of herself. Later, a Pakistani band played songs and a Pakistani cultural troupe captivated the audience with their performance.

Iranian, Azerbaijani Presidents Meet in Ashgabat

LD2710204594 Tehran IRNA in English 2031 GMT 27 Oct 94

[FBIS Transcribed Text] Ashgabat, Oct. 27, IRNA—The President of the Republic of Azerbaijan Haydar Aliyev in his meeting with President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani here Thursday [27 October] told him that his government is willing to further develop relations with Iran.

The Iranian president expressed pleasure with the end to the crisis in Azerbaijan, saying that Iran supports Azerbaijan's territorial integrity.

Both presidents are in Ashgabat for the third anniversary of the independence of Turkmenistan.

Iranian, Turkish Presidents Meet in Ashgabat

LD2710175494 Tehran IRIB Television First Program Network in Persian 1530 GMT 27 Oct 94

[FBIS Translated Text] This morning Mr. Hashemi-Rafsanjani and Mr. Suleyman Demirel, presidents of Iran and Turkey, met and conferred in the place of residence of the high-ranking Iranian delegation in Ashgabat. The expansion of bilateral relations, the continuation of cooperation in fighting against terrorism, stressing the rights of the Kurdish people, the safeguarding of Iraq's territorial integrity, the support of the two countries for the sovereignty and territorial integrity of the republics of Azerbaijan and Bosnia-Herzegovina, the need for a peaceful end to the clashes in Afghanistan, and greater cooperation within the Economic Cooperation Organization, ECO, were among the the most important issues discussed by the Iranian and Turkish presidents.

Ankara Signs Deal on Gas Imports

LD2810141094 Moscow INTERFAX in English 1150 GMT 28 Oct 94

[FBIS Transcribed Text] Presidents of Turkey and Turkmenistan Suleyman Demirel and Saparmurad Niyazov meeting in Ashkhabad [Ashgabat] have signed a 30-year agreement under which Turkmenistan will pump an annual 15 billion cubic meters of gas to Turkey through a new pipeline via Iran.

Turkmenistan's Deputy Oil and Gas Minister Amangeldy Esenov told Interfax that the two sides would be represented by his ministry and Turkey's Botas state fuel and energy corporation respectively. The two countries which are at odds over the cost of Turkmen gas to Turkish consumers have agreed to re-open discussion by the middle of 1997 when the project is complete.

Esenov said Ankara had agreed to cover part of the construction cost of a section of the pipeline passing through Turkish territory while Iran said it would meet half of the expenditure on its section of the pipeline. Although Turkmenistan will meet its own end of the bargain, the question of who else will be involved in financing the Iranian and Turkish parts of the project remains open.

The laying down of the first section of the pipeline of an annual capacity of 30 billion cubic meters is to start next May and complete on the Turkish-Iranian border in June 1997. An international consortium and intergovernmental council were set up to implement the project. These include representatives of Turkmenistan, Russia, Iran, Turkey and Kazakhstan.

Uzbekistan

Uzbek-China Cooperation Agreement Published

LD2810200894 Tashkent NARODNOYE SLOVO in Russian 28 Oct 94 p1

[FBIS Translated Text] Declaration of the main principles of mutual relations and of the development and intensification of mutually beneficial cooperation between the Republic of Uzbekistan and the People's Republic of China.

The Republic of Uzbekistan and the People's Republic of China, hereafter the parties,

taking into consideration the links, friendly relations, and traditions of mutual respect which have formed historically between the peoples of both states,

striving toward the further development of relations of friendship and mutually beneficial cooperation,

declare the following:

1. The Republic of Uzbekistan and the People's Republic of China are friendly close neighboring countries. The further development of relations of friendship

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and mutually beneficial cooperation meets the vital interests of the people of the two countries, and facilitates peace, stability, and security in Asia and around the world.

2. The parties will develop long-term relations on the basis of the principles of sovereignty and territorial integrity, mutual non- aggression, non-interference in each other's internal affairs, equality, mutual benefit, and peaceful coexistence.

3. The Republic of Uzbekistan and the People's Republic of China confirm their adherence to the aims and principles of the United Nations Organization's Charter. The parties are in favor of the establishment of a just and rational international, political, and economic order. The parties consider all states have equal rights to participate in international life. The peoples of all the countries of the world have the right to independently choose their social system, values, and ways of development in accordance with the realities of the country.

4. Each party will abstain from participation in or support for any political or military union directed against the other party, will refuse to conclude with a third country any treaty and agreement infringing the interests of the state sovereignty and national security of the other party, and will not allow its territory to be used by a third country with the aim of infringing the interests of state sovereignty and national security of the other party.

5. With the aim of developing further relations between the two states, meetings will be held and regular contacts will be maintained at various levels.

6. The parties will strengthen equal and mutually beneficial cooperation in the political, economic, cultural and scientific spheres, as well as in trade, transport, communications, education, health care, information, tourism, sport, and environmental protection.

7. The parties will develop and intensify trade and economic cooperation, and facilitate mutual prosperity on an equal and mutually beneficial basis. Within the framework of their relevant legislation and treaties concluded, the parties will encourage the other party's investments on its territory and ensure their protection, allow a most favorable trade regime, encourage and develop cooperation between departments, regions, and enterprises of the two countries, encourage all forms of economic cooperation, and create favorable conditions for it.

8. The parties will develop and intensify cooperation in the sphere of transport operations via seaports, airports, railways, and the road network, including the transit of passengers and cargoes of one party through their territory, providing each other with facilities.

9. The parties will develop inter-parliamentary relations and exchange experience of legislative activities.

10. The parties will cooperate in rendering mutual assistance in the legal sphere, in civil and criminal cases, and guarantee the citizen of the other party on its territory the rights arising from bilateral agreements in force and international commitments undertaken by them.

11. The Government of the Republic of Uzbekistan recognizes the Government of the People's Republic of China to be the sole legal government of China, and that Taiwan is an integral part of China's territory. The Government of the Republic of Uzbekistan confirms that it will not maintain official relations with Taiwan in any form.

The Government of the People's Republic of China supports the efforts of the Republic of Uzbekistan directed toward the development of the economy and implementing economic and social reforms.

12. The parties will seek to strengthen peace, stability, and security in Asia and the whole world in every possible way.

13. The parties will cooperate in the struggle against international terrorism, organized crime, the illegal drugs trade, and other types of international crime.

14. The development of bilateral relations between the Republic of Uzbekistan and the People's Republic of China does not affect the responsibilities arising from treaties concluded previously with third countries, or from bilateral and multilateral agreements.

15. This declaration comes into force from the date of signing and will be in force until one of the parties informs the other party, 6 months in advance in written form via diplomatic channels, of its intention to discontinue its effect.

Concluded in Beijing on 24 October 1994, in two copies, each in the Uzbek, Chinese, and Russian languages, with all the texts having equal force.

[Signed] For the Republic of Uzbekistan
Islam Karimov,
President of the Republic of Uzbekistan

[Signed] For the People's Republic of China,
Jiang Zemin,
President of the People's Republic of China

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Armenia

Russia Begins Deployment of Fighter Aircraft

LD2910134294 Moscow ITAR-TASS World Service in Russian 1312 GMT 29 Oct 94

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Text] Yerevan, 29 Oct—The Russian Federation today began stationing a squadron of anti-aircraft fighter-interceptors in Armenia. An ITAR-TASS correspondent was informed of this by Armenian Defense Minister Serzh Sakrisyan. He noted that the planes are arriving here in correspondence with an agreement between the governments of Russia and Armenia as part of the two countries' defense cooperation.

Russia Wants To Get Rid of CSCE Minsk Group

NC2810193394 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0655 GMT 28 Oct 94

[FBIS Transcribed Text] Vienna ("Azg" daily-Past), 10/28/94—During CSCE session in Vienna, Russia demanded to take the complete responsibility for resolution of the Kharabakh conflict.

Russian representative Vladimir Shustov said that the CSCE group was created in 1992, and received no legal status, therefore it should leave Russia alone. Shustov stressed that responsibility for negotiations, to be held in coming months, should completely rely on Russia under the name of CSCE. At the same time Russia declared that, in case a complete cease fire is reached, exclusively Russian disengagement forces should be stationed in the region.

Prime Minister Requests Full Supply of Russian Gas

NC2910141094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0813 GMT 29 Oct 94

[FBIS Transcribed Text] Yerevan ("YERKIR" daily - HAYLOUR), 10/29/94—"HAYLOUR" reports, quoting sources close to RA [Republic of Armenia] Government, that RA Prime Minister Grant Bagratyan sent a message to the governments of Russia, Georgia and Turkmenistan, saying that if these countries are unable to provide our republic with the due 5mln.cu.m of natural gas daily, then Armenia requests them to completely stop the supply of gas.

The supply of gas to Georgia has been stopped because of a debt to Russia. Therefore, Georgia has been using 3mln.cu.m. of gas sent for Armenia, justifying this by need for energy for unloading operations in Batumi and Poti ports.

Vice President Receives Iranian Ambassador

NC2810191794 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 28 Oct 94

[FBIS Translated Text] Armenian Vice President Gagik Arutyunyan on 28 October received Iran's ambassador to Armenia, Hamid Reza Miqar, who has just returned from Tehran.

The Armenian presidential press service reported that the ambassador briefed the Republic's vice president in detail on the Iranian side's approaches on new initiatives concerning programs being implemented within the framework of bilateral agreements, particularly stressing a number of observations relating to future cooperation.

Numerous issues relating to the further improvement of the communications network, the need to better clarify regulations governing economic ties, preparation and ratification of a number of interstate agreements, and the expansion and strengthening of areas of cooperation were discussed during the meeting.

Armenian Transportation Minister Henrik Kochinyan participated in the meeting.

Mass Media Representatives Statement on Harassment

NC2810194794 Yerevan SNARK in English 1420 GMT 28 Oct 94

[FBIS Transcribed Text] Yerevan, October 28 (SNARK)—Today, nearly 20 representatives of Armenian mass media appeared with a joint statement concerning the recent growth of violations towards the journalists and editorial offices.

The beating of former press-secretary of the president, Aram Abrahamian, the burning efforts of editorial offices "Urartu" and "Azg", pogroms in the editorial office "Golos Armenia" ("Voice of Armenia") and reporters' office of "Haylur"("Armenian News") agency - are among these cases.

The authors of the statement demanded from the president and the law-enforcement bodies to take decisive measures for protection of journalists' life and security, as well as provision of mass media work without obstacles.

The statement also notes that if Armenian Government does not fulfill its international obligations on the security of mass media representatives, it will threaten the establishment of democracy in the republic and will seriously spoil the country's international authority.

Azerbaijan

UN's Butrus-Ghali States Peacekeeping Principles

LD3010193694 Moscow ITAR-TASS in English 1907 GMT 30 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

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[FBIS Transcribed Text] Baku October 30 TASS—The United Nations would prefer CSCE mediation in settling the Armenian-Azeri conflict over the disputed enclave of Nagorno-Karabakh. It is ready to undertake coordination of all peacekeeping initiatives in order to avoid their duplication and contradiction to one another, visiting U.N. Secretary General Butrus Butrus-Ghali told Azeri President Geydar Aliyev on Sunday [30 October].

On Saturday, Ghali arrived in the Azeri capital Baku for a three-day visit opening his swing through the Transcaucasus.

At a news conference at the start of talks, the U.N. secretary general also stressed that the peacekeeping process should be based on four principles: preservance of Azerbaijan's territorial integrity, non-violability of its borders, no use of force for further occupation of the republic's territories and unconditional withdrawal of all foreign troops from Azerbaijan. All this principles were set out in the Security Council's resolutions, and the United Nations is determined to work for their execution, [Butrus-]Ghali emphasised.

Praising the warring sides for complying with the five-month-long ceasefire in the conflict zone, the secretary general outlines two main directions for further peace efforts—non-violation of the truce and withdrawal of foreign troops from Azerbaijan's territory.

He announced the U.N. intention to go ahead with assistance to Azerbaijan, but noted that cooperation implied counter-movement as well. In saying so, Ghali praised Azerbaijan for its active participation in international actions under the U.N. auspices.

The Azeri president expressed hope that the U.N. secretary general's visit to the republic would speed up a peace settlement of the Nagorno-Karabakh conflict which remains the republic's most sensitive issue.

Azerbaijan favours a peace settlement and calls upon Armenia to join, Aliyev pointed out. He expressed regret that the four resolutions passed by the U.N. Security Council's had not yet been fulfilled and called upon the United Nations to be persistent in this matter.

According to Aliyev, Azerbaijan continues insisting on its terms for conflict settlement, which are as follows: Armenian forces should be pulled out of all the occupied territories in Azerbaijan, including Lachin and Shusha; over one million Azeri refugees should return to their homes, including in Nagorno-Karabakh. Given compliance with these terms, the issue of Nagorno-Karabakh's status can be considered. In doing so, Azerbaijan is ready to ensure security to the ethnic Armenians living in this region.

If the above measures are not taken, the five-month-long ceasefire can remain the only success of the peacekeeping efforts in the region, which Azerbaijan is flatly opposed to, the president warned. He also announced the republic's intention to continue working in close cooperation with CSCE and Russia for a peace settlement of the Nagorno-Karabakh conflict.

Urges Armenia To Pull Troops Out

NC3010113194 Paris AFP in English 1100 GMT 30 Oct 94

[By Chris Bird]

[FBIS Transcribed Text] Baku, Oct 30 (AFP)—UN Secretary General Butrus Butrus-Ghali called on Armenia Sunday [30 October] to withdraw its troops from Azerbaijani territory while hinting at possible United Nations involvement in a peacekeeping plan to separate the warring republics.

At the start of a three-nation tour to the Transcaucasus, Butrus-Ghali said in an open meeting with Azerbaijani Foreign Minister Gasan Gasanov in the capital Baku, he "will reiterate the United Nations' position which is: the territorial integrity of the member states and the immediate withdrawal of Armenian troops from Azerbaijani territory."

On his first visit to Azerbaijan since it gained independence three years ago, Butrus-Ghali was given a tough introduction to the results of the republic's six-year war with neighbouring Armenia over the disputed territory of Nagorno-Karabakh, when he visited the Allee Shakhidov war cemetery, located on a hill above Baku overlooking the Caspian sea.

"I've lost my son, I don't want any more fighting—I want peace," an Azeri woman dressed in black, standing next to her son's gravestone, tearfully told the UN secretary general.

A ceasefire brokered by Russia has held for six months in Karabakh, an enclave situated inside Azerbaijan but populated by an ethnic Armenian majority, which has raised hopes of a settlement to the conflict.

A Russian proposal to send its own peacekeeping troops to Karabakh has been consistently ruled out by Azerbaijan which fears a Russian force would merely cement the republic's territorial losses.

Azerbaijan's pressure on the Conference for Security and Cooperation in Europe (CSCE), to deploy an "international" peacekeeping force to separate the warring sides in Karabakh, appears to have paid off after the CSCE proposed a 1,600-2,000 strong peacekeeping force earlier this month—the first in the CSCE's short history.

Butrus-Ghali said the CSCE's lack of peacekeeping experience should "not be an obstacle to a presence of the CSCE to solve the situation (in Karabakh)."

The secretary general affirmed the United Nations would assist the CSCE-sponsored peace plan and hinted at a possible UN role in the proposed peacekeeping operation, saying the United Nations would "participate in a real presence on the ground."

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UN representative to Azerbaijan Mahmud al-Sa'id said the United Nations would provide "technical help" for any CSCE peacekeeping effort but it was not yet clear what form this would take.

But standing in the way of a peace agreement is Armenia's continued refusal to evacuate the strategically vital Lachin "corridor" and the town of Shusha.

Lachin forms a vital land link between Armenia and the disputed territory while Shusha, situated above the Karabakh capital of Stepanakert, was used to rain shells and rockets on the latter's Armenian inhabitants until it was captured by Armenian forces in 1992.

Foreign Minister Gasanov urged Butrus-Ghali to raise the issue of Lachin and Shusha with the Armenian government when he travels to Yerevan next week.

An Azerbaijani foreign ministry spokesman said, "...Without Lachin or Shusha, it (a peace agreement) will not be possible."

Reaffirms Azerbaijan's Integrity

LD3010122794 Moscow ITAR-TASS in English 1209 GMT 30 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] Baku October 30 TASS—The United Nations should have a greater role in the settlement of the Armenian-Azeri conflict, Azerbaijan's Foreign Minister Gasan Gasanov said today at his meeting with U.N. Secretary General Butrus Butrus-Ghali who on Saturday [29 October] arrived in Baku on a three-day official visit.

The foreign minister said there were no obstacles for more active efforts of the international community in settling the conflict. The efforts need be boosted to neutralise forces which are trying to wreck the peace process, Hasanov said. Moreover, he pointed out, the United Nations should assist the Conference on Security and Cooperation in Europe (CSCE) in setting up international forces for separating the conflicting parties, he added.

A major focus of the meeting was on liberation of Azerbaijan's occupied territories, primarily Shusha and Lachin. Armenian refusal to withdraw from the seized territories under U.N. resolutions is a sticking point in the negotiation.

The United Nations remains committed to its principles of territorial integrity and inviolability of borders, Butrus Butrus-Ghali said. In case of Azerbaijan it means that all foreign troops must pull out from its territory in the nearest time, he said. The U.N. secretary general pointed out that the CSCE, which is contributing much to ending the conflict, had the same approach.

Butrus Butrus-Ghali said no one was allowed to hinder the CSCE's peace activities. He promised that the U.N. was ready to give any help to the CSCE to support it in its efforts to mediate durable peace in the region. The U.N. secretary general also assured that international humanitarian agencies acting under U.N. programmes would continue help to million-odd Azeri refugees.

Prior to the talks in the Azerbaijan's Foreign Ministry, Butrus Butrus-Ghali had met refugees from Shusha and Lachin and laid flowers at graves of victims of the January 1990 events in Baku and of the Karabakh war.

The U.N. secretary general is to meet president Geydar Aliyev later on Sunday. A news conference will follow the meeting of the two leaders.

Aliyev Stresses Security Guarantees

LD3010182594 Moscow INTERFAX in English 1702 GMT 30 Oct 94

[FBIS Translated Text] Peace can be restored in Nagorno-Karabakh on the condition that Azerbaijan's territorial integrity and the inviolability of its borders are ensured, and all of the Armenian occupation forces are unconditionally withdrawn from its territories, Azerbaijani President Geydar Aliyev told U.N. Secretary-General Butrus-Ghali in Baku on Sunday [30 October].

He said that if these terms are fulfilled, Azerbaijan might consider the question of security guarantees for the Armenian population in Karabakh. In addition to this, Aliyev underscored the importance of security guarantees for all residents of the region, including Azerbaijani refugees.

He believes that the demographic situation typical of the pre-conflict times must be restored in Nagorno-Karabakh.

Ghali said that the U.N. position on the Armenian-Azerbaijani conflict was reflected in four U.N. resolutions which boil down to the recognition of Azerbaijan's territorial integrity and inviolability of its state borders; the inadmissibility of the armed seizure of territories and the withdrawal of the occupation forces from all of the seized territories. He said the United Nations would assist the CSCE Minsk Group's efforts to restore peace in the region.

Addresses Azerbaijani Parliament

LD3110145894 Moscow ITAR-TASS in English 1350 GMT 31 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] Baku October 31 TASS—The speech of U.N. Secretary General Butrus Butrus-Ghali in Azerbaijan's parliament today addressed the roles of the United Nations in the world and in the management of global problems.

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The secretary general said qualitatively new challenges faced by this influential international organisation in the post-cold war era include primarily the liquidation of cold war sequelae, international terrorism, drug trafficking, aids and social inequality.

Butrus Butrus-Ghali said a special task of the United Nations was to assist new independent states, in particular in resolving regional and ethnic conflicts now plaguing many new states, and in post-conflict periods requiring hard efforts of the states for the socio-economic progress and the development of democracy. Within this context the secretary general expressed the U.N.'s readiness to assist Azerbaijan on all lines, including in its parliamentary election due to be held in July 1995.

Early on Monday [31 October], the U.N. secretary general was awarded an honourary doctor diploma of the Baku university.

Butrus Butrus-Ghali on Monday left Baku for Tbilisi.

'Positive' Talks Cited With Iran's Rafsanjani

LD3010083494 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0230 GMT 30 Oct 94

[FBIS Translated Text] Azerbaijani President Geydar Aliyev has emphasized that relations between Tehran and Baku are on a good level and will remain at this level in the future.

According to the Central News Bureau from Baku, Geydar Aliyev yesterday said his recent talks with Iranian President Hashemi Rafsanjani were positive. The Azerbaijani president said he has done much to improve relations between Tehran and Baku, but some domestic circles in Azerbaijan have behaved otherwise and contrary to the interests of the Republic of Azerbaijani's people and government.

Georgia

Abkhazians Reportedly Terrorizing Refugees

LD2810203394 Tbilisi IPRINDA in Russian 1600 GMT 28 Oct 94

[FBIS Translated Text] Zugdidi (IPRINDA)—An IPRINDA correspondent has been told at the center for securing information on the settlement of the Abkhazian conflict, that despite certain positive shifts in handling the issue of the return of refugees reached at the Sochi quadripartite talks, the Abkhazian side keeps trying to impede the return of the Georgian refugees by intimidating and terrorising them. Today, referring to eyewitnesses, the center disseminated a report stating that 5 ethnic Georgians had been killed and 10 houses burned down in the Gali Rayon villages of Repi and Mziuri. In addition, some 30 houses belonging to ethnic Georgians were burned down in the villages of Otobaia and Nabakevi. The death of 3 ethnic Abkhazians in the village of Repi on 25 October has been used as an excuse for the aforementioned. However, according to eyewitnesses, the death of the 3 resulted from a fight among themselves.

Ioseliani: No Russian Bases Unless Refugees Return

LD3110145094 Tbilisi SAKINFORM in Russian 1122 GMT 31 Oct 94

[FBIS Translated Text] [No dateline as received]—Jaba Ioseliani, chairman of the Committee for the Settlement of Conflict Situations in Georgia [and chief Georgian negotiator at talks on Abkhazia], believes that the Russian peacekeeping forces should play a decisive role in speeding up the return of refugees to Abkhazia. If they fail to carry out this mission, Georgia will have to oppose the setting up of Russian military bases on its territory, Ioseliani said.

Shevardnadze Takes Steps To Organize Humanitarian Aid

AU2810135594 Tbilisi SVOBODNAYA GRUZIYA in Russian 19 Oct 94 p 3

["Directive of the Georgian Head of State on Further Improvement of the Organization of International Aid for Georgia"]

[FBIS Translated Text] 1. The Advisory Bureau for Coordinating International Aid for Georgia headed by the Republic of Georgia prime minister is the supreme body that coordinates the organization of international aid for Georgia.

The advisory bureau is made up of the Republic of Georgia deputy prime minister (bureau deputy head), the Republic of Georgia minister of foreign affairs, the Republic of Georgia minister of the economy, the Republic of Georgia minister of finances, the chairman of the Committee for Foreign Economic Relations, and the chairman of the Committee for Science and Technology.

2. The advisory bureau supervises the Bureau for Coordinating International Aid for Georgia, the statute on which was ratified by Resolution No. 188 of the Republic of Georgia Cabinet of Ministers of 28 March 1994.

3. The stocktaking of goods that have arrived as humanitarian aid is carried out by the Bureau for Coordinating International Aid for Georgia, which gives an annual report to the advisory bureau.

4. The organization of the transportation of humanitarian cargoes is entrusted to the heads of the Republic of Georgia Sea Transport Department, the Republic of Georgia Motor Transport Department, the Republic of Georgia Air Transport Department, and the Republic of

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Georgia Rail Transport Department, which are personally accountable to the Advisory Bureau for Coordinating International Aid.

5. The Republic of Georgia Ministry of Trade and Supplies, the Bread Products Corporation, and the Republic of Georgia Ministry of Health Protection receive the goods that arrive as international humanitarian aid.

6. The heads of these ministries are personally responsible for organizing the distribution of goods that have arrived as international humanitarian aid in accordance with both the humanitarian program and the "monetization" program.

7. The Bureau for Coordinating International Aid renders assistance to these ministries regarding the transportation and storage of goods that have arrived as humanitarian aid from the UN and foreign nongovernmental organizations.

8. The Republic of Georgia Cabinet of Ministers is to examine the question of allocating warehouse space free of charge for humanitarian cargoes supplied by UN organizations.

9. The Republic of Georgia Customs Department is to ensure the uninterrupted passage of humanitarian cargoes into Georgia.

10. The Republic of Georgia Ministry of Internal Affairs and the transport police are to ensure the safety and protection of humanitarian cargoes during their transportation and delivery to places of distribution.

11. Questions regarding the organization of international humanitarian and technical aid are to be heard every three months at sessions of the Republic of Georgia Cabinet of Ministers.

[Signed] E. Shevardnadze.

Shevardnadze Wants Parliament To Expel Hunger Striker

NC2810193494 Yerevan SNARK in English 1420 GMT 28 Oct 94

[FBIS Transcribed Text] Tbilisi, October 28—(SNARK) The hunger strike of deputy of Georgian parliament Temur Zhorzholiani, the leader of Monarchist party of Georgia is lasting already thirty two days. The chief monarchist of the country, insisting the resignation of Eduard Shevardnadze, recently managed to meet with him. This was after the breaking up the non-sanction meeting of opposition forces. Zhorzholiani came here with his folding-bed.

As SNARK was told in the press service of the head of the government, Eduard Shevardnadze has promised the monarchists' leader to raise a question in the parliament on his retirement on November 8. In accordance with this, independent observers predict a new political crisis in the country.

Opposition Accuses Russia of Intelligence Activity

LD2810175294 Moscow INTERFAX in English 1605 GMT 28 Oct 94

[FBIS Transcribed Text] Two opposition leaders in Tbilisi have accused Russia of stepping up intelligence activity in Georgia.

Speaking on Friday, leader of the United Republican Party Nodar Natadze maintained that Moscow has allocated $120 million for subversive operations in the republic, but he gave no proof to make his case.

Natadze said that "any diversion of the Georgian government's policy to Russia's disadvantage is immediately followed by all sorts of destabilizing actions by Russian intelligence services."

For his part, leader of the National Democratic Party Georgi Chanturiya spoke of an eavesdropping device being uncovered at the party headquarters in Tbilisi. Lamentably, he said, all the information gathered has been sent outside the country. Chanturiya accused Chief of the Georgian Security Service Igor Georgadze of being an agent of Russian Intelligence and of knowing what was going on.

More on Charges of Russian Espionage

MM3110114394 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 94 p 2

[Report by Vitaliy Denisov: "Opposition Believes Georgia Is Flooded with 'Kremlin Agents'"]

[FBIS Translated Text] Tbilisi—Georgiy Chanturiya, leader of Georgia's National-Democratic Party, declared at a press conference that Igor Giorgadze, chief of Georgia's State Security Service, is an agent of Russia's Foreign Intelligence Service under direct orders of the latter's leader Yevgeniy Primakov.

According to Chanturiya, proof of this is offered by a bugging device discovered at the party's headquarters. The national democrat leader declared that Giorgadze personally transmitted to Moscow information about the party and specifically about the anti-Russian orientation of its activity. It was declared at the press conference that the leader of the State Security Service has earned his dismissal and must be held criminally liable as a foreign country's agent.

As a matter of fact, Georgiy Chanturiya is not the only one who is worried over the search for Russian agents and their exposure. Nodar Notadze, cochairman of the United Republican Party, warned deputies at the last session of parliament that a certain "Northern country" has set aside $120 million (!) to provoke a catastrophe in Georgia (?) and has a large network of agents in the

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country. According to him, there are hostile agents and spies to be found even among members of the country's parliament.

It is worth noting that the "witch hunt" season was opened by opposition spokesmen on the eve of the visit to Georgia by Russian Premier Viktor Chernomyrdin, whose arrival is associated by many people with the possibility of accelerating the process of returning refugees to Abkhazia and concluding a package of economic treaties which the republic so badly needs. Judging by everything, "the implacables" are prepared—if not to wreck the forthcoming meeting—at least to complicate the future talks as much as possible.

Communist Party Seeks Restoration of USSR

LD2910141094 Tbilisi SAKINFORM in Russian 1108 GMT 29 Oct 94

[FBIS Translated Text] The Georgian Communist Party has held its plenum with the participation of heads of local organizations from all regions of the republic. The plenum stated that the communist movement in Georgia aims to restore the Soviet Union within its former boundaries, to revive a Stalin-style socialist system, and to secure the return to "communist moral ideals."

Experts account for the increased popularity of the communist movement in Georgia by the fall of the living standards of the population, causing a nostalgia for the wealthy and replete past.

Power Station Accident Cuts Power to Tbilisi

LD2810121294 Tbilisi IPRINDA in Russian 1115 GMT 28 Oct 94

[FBIS Translated Text] Tbilisi [no date as received] (Iprinda)—From early morning, most parts of Tbilisi were without electricity (water supplies stopped and the city underground did not work). Gruzenergo [Georgian power] told an agency correspondent that according to preliminary data, the problem was caused by a small accident at the 10th unit of the Tbilisi GRES [state regional electric power station]. Restoration work is underway.

According to the Georgian Government's press center, Prime Minister Otar Patsatsia visited the Tbilisi GRES in the morning of 28 October to study the state of affairs and find out the cause of the accident.

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Estonia

Diplomatic Relations Established With Kuwait

WS3110110694 Tallinn ETA in English 0808 GMT 31 Oct 94

[From 29 October EESTI SONUMID, p 1; "News Bulletin" No. 211/94]

[FBIS Transcribed Text] Monday, October 31—The establishing of diplomatic relations between Estonia and Kuwait was concluded on October 28, the Foreign Ministry press service informed.

The according joint communique was signed at the Estonian embassy in Bonn by the Ambassadors of two countries—'Abd-al'Aziz al-Sharikh and Tiit Matsulevits.

The Ambassador of Kuwait who resides in Bonn will represent his country in Estonia also. He will pay a visit to Estonia in the near future to present his credentials to the Estonian President.

President Congratulates New Premier

WS2810154694 Tallinn BNS in English 1402 GMT 28 Oct 94

[FBIS Transcribed Text] Tallinn, Oct 28, BNS—The parliament's approval of Andres Tarand as the new head of government was a victory in which there were no losers, President Lennart Meri said in his letter of congratulation after the parliament on Thursday [27 October] had voted 63-1 to give Tarand the powers to form a new government.

Meri in the letter said Thursday's vote had proved the strength of Estonia's constitutional principles even in a complicated situation of government crisis. It had also provided proof of the political parties' readiness to cooperate on issues vital for Estonia's stability and strengthening as a democratic European nation.

"Estonia needs a government that would impress on people a feeling of security and be able to make all people act in the interest of the well-being of their state. Estonia needs a government that would keep our foreign political continuity and reputation," the letter quoted by the presidential press office says.

The president also says that Tarand's personal virtues and experience gained as member of the government are the capital which allows him to form a government to be accepted by the head of the state, by the parliament, and what is most important—by the people.

Chairman Outlines New Party's Objectives

MM2810114794 Moscow TRUD in Russian 27 Oct 94 p 3

[Interview with Viktor Andreyev, chairman of the Estonian United People's Party, by Galina Golub in Tallinn; date not given: "New Party—New Hopes"]

[FBIS Translated Text] The constituent assembly of the Estonian United People's Party took place in Tallinn in October. Tallinn Vice Mayor Viktor Andreyev was elected its chairman, and he talks to our correspondent.

[Golub] Viktor Aleksandrovich, the new party was immediately described as "primarily Russian-speaking in membership." There is a grain of truth in this. What need was there to form a party when there are already organizations expressing the Russian-speaking population's interests, such as the Russian Democratic Movement of Estonia and the Representative Assembly of the Russian-Speaking Population?

[Andreyev] Yes, these very organizations are defending the interests of noncitizens, their voice can be heard at seminars, human rights symposiums, and so on. But they cannot have real political influence as public organizations. That is why they have formed a new party, together with the Estonian-Russian Chamber of Entrepreneurs, representatives of the republic's northeast, and the Chernobyl committee.

[Golub] What are its aims?

[Andreyev] The main aim is to defend the interests of the least protected section of the republic population. In this country most Russians, Ukrainians, Belarusians, and others fall into this category. That is why the party is called Russian-speaking (unlike the Russian Party formed a little earlier, which considers itself the successor to the Russian National Union of the twenties). But we are trying to get away from the ethnic principle. There are some Estonians among the party's founders.

[Golub] But you still cannot get away from the citizenship problem. After all, all political parties in Estonia, including yours, are only for citizens.

[Andreyev] Yes, we do have such laws. That is why the State Assembly must also have Russian deputies in it. But they can get into it only as candidates of a properly registered party. Right now the State Assembly is a virtual monopoly. Hence in many respects the situation in which we live.

[Golub] What do you mean specifically?

[Andreyev] Well, at the very least the painful questions which are currently preventing noncitizens from living peacefully. Almost one-third of the republic population effectively have no definite status, which means that they do not have the relevant documents which they need to cross the border, since the former Soviet passport is about to become completely invalid. Children over 16 have no identity documents at all. Now, as regards work: There is a danger that noncitizens who do not speak Estonian well enough will not be able to hold certain posts in state and municipal service. What about the future of military pensioners? What is going to happen to them? Russian troops have been withdrawn but ratification of the treaty on social guarantees for

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military pensioners has been left up in the air. This is by no means a complete list of problems.

[Golub] Is it not naive to believe that a political party will be able to change things, especially in the teeth of the entire state machine?

[Andreyev] As I have already said, to do this our faction has to be in the State Assembly. The number of Russian-speaking deputies will be decided by voters in elections. But even a few votes could win a crucial role in the parliamentary struggle. The actual opportunity to go onto the State Assembly platform and state our problems, which nobody has yet done, is equally important. Another aspect is representation in international organizations at a higher parliamentary level.

[Golub] Does the party have its own program?

[Andreyev] Yes, of course. When we were drawing it up we bore in mind all the Russian-speaking population's current troubles and problems. Our ideological enemies proclaim priority to the indigenous nation, while in our program we assert that no one group has the right to such priority in relation to the state and the law. And that everybody, citizens and noncitizens, must have equal economic and social rights at least. The program raises the biggest question—that of citizenship, proposing that the relevant 1938 law be brought into force in its entirety, removing all restrictions which have now been adopted. The program also mentions the impermissibility of limiting the use of the Russian language, economic problems, and so on.

[Golub] As the saying goes, God grant that just some of these wishes come true. But, of course, you can rely only on yourselves.

[Andreyev] That is why we must start work. So far we have only announced the new party's formation. We must now become registered by the government. For this there must be at least 200 and then 1,000 people on the party lists. Only after registration can we begin an active preelection campaign.

[Golub] Probably from a Russian reader's viewpoint a party with even 1,000 members is somehow not taken seriously....

[Andreyev] But Estonia has different scales. For the republic's Russian-speaking population the formation of the United People's Party could be a move toward a new political level. It means hope for a civilized solution to our problems.

Latvia

U.S. Undersecretary Arrives for Talks

LD3010192594 Riga Radio Riga Network in Latvian 1800 GMT 30 Oct 94

[FBIS Translated Text] A meeting between Latvian and U.S. working groups will take place in Riga on 31 October. It is planned to discuss issues of foreign policy and security that are topical for both states. Regional security, illegal transportation of nuclear weapons, export controls and their implementation, development of institutions of European security, possible participation of the Baltic states in implementation of peacekeeping operations, and specific U.S. assistance projects to Latvia will be discussed.

In this connection, Lynn Davis, U.S. undersecretary for international security affairs, arrived in Latvia on 30 October. She will be heading the U.S. working group. Maris Riekstins, a secretary of state at the Ministry of Foreign Affairs, is heading the Latvian working group.

Annual Meeting of Envoys and Foreign Minister

WS2810155494 Tallinn BNS in English 1402 GMT 28 Oct 94

[FBIS Transcribed Text] Riga, Oct 28, BNS—The Latvian Foreign Ministry and diplomats should soon draft a flexible foreign political concept, Foreign Minister Valdis Birkavs said Friday [28 October] at the annual meeting of ambassadors in Riga.

Birkavs said he hopes that the parliament will soon discuss foreign political strategy, which must be changed in view of the completed withdrawal of Russian military forces from Latvia.

The European Union [EU] membership stands the ultimate goal of the Baltic regional cooperation. The foundation of a Baltic Integration Bureau in January, 1995, will be one of steps leading toward it, Birkavs said.

Latvia's participation in the Western European Union in the status of associate partner is also important because the body could become one of the EU directorates, Birkavs said.

Commenting on bilateral relations with Russia, Birkavs noted that stable relations with this country would be Latvia's contribution to the European security system.

Latvian President Guntis Ulmanis addressed the ambassadors saying that the main tasks of diplomats were "to draw up compromises of the national foreign policy" and "support for ideals of human rights and democracy even in the most hopeless situations."

The annual meeting of Latvian diplomats accredited abroad will last until Sunday.

Envoys Urge More Baltic Cooperation

LD2910130594 Riga Radio Riga Network in Latvian 1200 GMT 29 Oct 94

[FBIS Translated Text] To preserve the Baltic countries as regarded as a unified region, and as part of the Nordic region, the Embassies of Latvia in Estonia and Lithuania must intensify all three countries' cooperation, the Baltic News Service was told by Aldis Berzins, Latvian Ambassador to Estonia, and Arnolds Sarkanis, charge d'affaires

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in Lithuania. Berzins noted that at present interstate cooperation is taking place actively at the highest level, of governments and presidents, but co-operation is quite weak at the median level, for example between the departments of various ministries. Both envoys praised the recently formed structure of the Baltic Council of Ministers, and its purposes, and expressed the hope that this will be the institution that will bring to life the mutual understanding between the Baltic countries. Sarkanis emphasized that in the near future greater attention should be paid to cooperation between internal affairs ministries and guardians of external borders, which would be a guarantee of the Baltic countries' security. He expressed anxiety that otherwise the activities of organized crime could destabilize the situation in the country and bring about a government crisis.

Dismantling of Skrunda Base Planned

WS2810123394 Riga LETA in English 0942 GMT 28 Oct 94

[FBIS Transcribed Text] Riga, October 28 (LETA)—According to the Government Press Agency, Latvia's Prime Minister Maris Gailis together with the foreign minister, the minister for the interior, the minister of environmental and regional development and other interested parties had gathered in the Latvian Saeima [parliament] building on Thursday, October 28. The meeting was held to review the dismantling of the military radar base at Skrunda.

There are two installations in Skrunda. One of these is still in operation in accordance with the Russian-Latvian agreement. The other installation has been handed over to Latvia and will be dismantled. The dismantling will be done by the U.S. company Control Demolition Inc. The company was selected from the bids submitted and it is expected that the demolition will begin in the near future. It was agreed that the ministry of environmental and regional development will form a working group to interact with the U.S. defence department and Control Demolition Inc. The membership of this working group must be decided by October 31 and the group will be responsible for all administrative tasks of the dismantling process at all levels, including the local governments.

To oversee the work of the operating radar installation at Skrunda, the suggestion was made to set up a commission on which Russia, Latvia and the CSCE are represented. The question of securing the base was also raised. Security, at this time, is inadequate due to lack of funds. It was agreed that ensuring the security of the operating installation cannot be postponed.

Duma Ratification of Troop Withdrawal Welcomed

LD2910180494 Moscow ITAR-TASS World Service in Russian 1218 GMT 29 Oct 94

[By ITAR-TASS correspondent Galina Kuchina]

[FBIS Translated Text] Riga, 29 Oct—Latvian President Guntis Ulmanis has expressed satisfaction with the "energetic and well-considered step" taken by the Russian State Duma on Friday [28 October] when it ratified bilateral interstate agreements on the withdrawal of Russian troops from the Baltic country.

Interviewed today by the ITAR-TASS correspondent, Guntis Ulmanis said he has not yet seen detailed reports on the discussion of the issue in Moscow, but admitted that differing views could have been expressed. This, he said, was quite in order and showed Russia's democratic credentials. Ulmanis believes the State Duma resolution will serve to improve relations between the two countries and will evoke a response from the Latvian parliament, which has already approved the package of agreements in the first reading. For a final approval the documents are still to pass two more hearings in the Saeima.

"Latvia is not set for a confrontation or a deterioration of relations with Russia," Guntis Ulmanis noted. He said a blueprint of the country's foreign policy was now being drawn up, and "very sensible and pragmatic" approaches to the development of relations with the eastern neighbor are being outlined. He expressed hope that there would in the near future be meetings between heads of parliaments and heads of governments of Latvia and Russia. "There should be positive movement, and that is what I as president will be aiming for," Guntis Ulmanis stressed.

Minister Presents Concept on Foreign Credits

WS2810131994 Riga DIENA in Latvian 15 Oct 94 pp 1,7

[Report by Anita Smolenska: "New Foreign Credits Necessary"]

[FBIS Translated Excerpt] Riga, 14 Oct—As in the past, Latvia will also need foreign credits in the future, stated the new chief of the Ministry of Finance today, presenting his concept on the problems connected with foreign credits. Andris Piebalgs, the newly appointed minister of finance, promised that from now on, information regarding credits granted to Latvia and their division among companies will be "candid to the fullest extent."

As is known, the Bank of Latvia has announced that it is against increasing the state external debt. "We shall not sign any new agreement which would stimulate growth of the debt. In case someone decides to borrow money (we cannot forbid it if the credit is taken by the state), we shall not participate in it," DIENA was told at the end of the week by Bank of Latvia President Einars Repse.

The concept of the Finance Ministry regarding foreign credits has been considered by the Committee for Economy and Finance, but a concrete decision has not yet been adopted. The Ministry of Finance has to prepare, by 24 October, three basic documents: on the present situation in the field of foreign credits; a state

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investment program according to which the credits would be planned; and changes in the order of dividing credits. The state committee has made a decision that the division of the next portion of the G-24 credits ($8 million for the development of agriculture), which still stays undivided and for which Latvia already has to pay interest, will be granted in compliance with previous regulations of the Cabinet of Ministers.

Some of the names of the companies which have received the G-24 credit is published on page 7. The next part will be published by DIENA in the near future.

"We have agreed, and I personally am also of the opinion, that credits will be necessary in the future," said Indra Samite, state minister of state external resources, who from now on will take care of matters connected with credits granted by other countries. [passage omitted]

Samite said that according to the concept, state guarantees could only be granted to projects which appear in the state investment program, and should be settled with the Budget Department in the Ministry of Finance (because they encumber the state budget). The private companies should be granted credits on easier conditions, demanding from them at the same time strict business plans for their usage.

Samite also said that amendments to the present regulations of the Cabinet of Ministers are being prepared, with the purpose of decreasing the role of the Bank of Latvia in serving the credits, because "it it is not in the profile of the activities of this Bank." The credits, however, will not be immediately paid out by commercial banks. A special state committee will be established, whose task it will be to choose and allocate credits on preferential conditions to long-term projects. Moreover, with the aim to make the work of the committee more candid, only three of its members will have permanent status; the rest are to be chosen in a "lottery" a few days before the committee meeting. At the same time, an observer from the state will be asked to be present at the meeting. Besides, there are some changes to be introduced into the projects to improve the business plans: They will have to be harmonized with the balance submitted to the state taxation office, and the bookkeeping system should be adequate to general rules.

Piebalgs stated that in the future the press will be given for publication a list of companies which have received foreign credits. In the time of the former government, the committee which dealt with foreign credits never gave such information because it wanted to avoid the danger of extortion to which the companies could have become subject. The Finance Ministry has made a decision to issue a press release every month on the actual state of credits. This time, DIENA is publishing a list of enterprises which have acquired the latest credits from the IMF, the division of which was said to be little known thus far. These credits were divided at the end of last year, and it was granted to such well-known companies as "SWH Riga" and "RAF" (both $3 million), "SIA Man-Tes" ($2.9 million), "Laima" ($1.5 million), and others. [passage omitted]

Minister Notes River Pollution in Lithuania

LD2910110894 Riga Radio Riga Network in Latvian 1000 GMT 29 Oct 94

[FBIS Translated Text] In various tributaries of the river Musa in Lithuania, toxic pollution has been detected at the same time, which conflicts with previously published reports claiming that the pollution originated from dichlorobenzene acid decomposing with pesticides and herbicides used on farms, Indulis Emsis, minister of state for the environment, reports. The source of the pollution on the Lithuanian side has not yet been detected. In Emsis's view, it could possibly be a case of pure vandalism. The minister says that the concentration of dichlorobenzene acid on Latvian territory is not currently lethal, but it is dangerous to life. Emsis believes the situation is very serious, and warns that one must not drink water or eat fish from the Lielupe basin [into which the river flows]. So far there are no indications of poisoning. The [word indistinct] of toxic substances flowing into the Lielupe would manifest itself within eight days. So today there is a meeting in Bauska of representatives of the Latvian State Environmental Inspectorate, the Ministry of Welfare and the Hydrometeorological Administration, and the Lithuanian Environmetal Protection Institute. The participants in the meeting will discuss the problems of the pollution of the Musa and the Lielupe.

Interior Minister Resigns Over Prison Escape

LD2810180694 Riga Radio Riga Network in Latvian 1700 GMT 28 Oct 94

[FBIS Translated Text] Minister of Internal Affairs Girts Krisftovskis has announced his resignation to Prime Minister Maris Gailis. Krisftovskis explained at a news conference that he is resigning because he believes that Maris Gailis will be under too much pressure from parliament, the opposition, and journalists for Krisftovskis to be able to remain in his post. For the present, until the appointment of a new minister, the duties of minister of internal affairs will be fulfilled by Maris Gailis, who will be visiting Daugavpils tomorrow to investigate the circumstances of the escape at the scene. Krisftovskis stated that because of insufficient financing for the prisons and their poor technical condition, he cannot claim that a similar occurrence will not happen again.

[Riga Radio Riga Network in Latvian at 1400 GMT on 28 October gives the following related report on the prison escape at Daugavpils: "We informed you again at the beginning about the shocking facts coming out of Daugavpils. Now we are in contact with our colleague in

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Daugavpils, Silvija Smagare. I'll ask Silvija, who is closest to the news, about the latest."

[Smagare] "Good day and greetings to all Latvian Radio listeners. This day in Daugavpils is not pleasant. Public interest has not yet waned in the 89 escapees from the Jelgava prison, and exactly three months later, at 0400 this morning, breaking down a wall at Griva prison in Daugavpils, a group of prisoners escaped. To find out more details about what happened, I consulted the head of the prison, Lieutenant Colonel Kislickis, and at the moment it is known that 15 prisoners left the Griva prison. The fact that the Griva prison is a strict regime testifies that the escapees are dangerous recidivists. The reasons for the case could be that the prisoners are able to freely move about the zone, and that in principle the workers at the prison have a certain freedom allowed in their work. At present the heads of the prison, together with representatives of the Prisons Department, are finding out the identities of the escapees, but the town's police, Home Guards, and Border Guards are trying, as a joint force, to do everything to get the escapees back to prison."]

Lithuania

President on Visit to France, EU Integration

WS3110104294 Tallinn BNS in English 1808 GMT 28 Oct 94

[FBIS Transcribed Text] Vilnius, Oct 28, BNS—Lithuanian President Algirdas Brazauskas said his country categorically opposes any attempts to draw dividing lines in Europe, be it the east of Poland, or the east of Lithuania, or the west of Belarus.

Lithuania would become a "buffer" state in such case, "and we have already experienced such a situation in this century," Brazauskas said at a press conference Friday [28 October]. The president commented on his recent visit to Paris, where he addressed the executive board of the United Nations Education, Science and Culture Organization.

Referring to his speech in Paris, Brazauskas said he is concerned that having reached a high level of intellectual development, Lithuania experiences great difficulty in avoiding a "brain drain," which is mainly caused by economic problems. The president said he emphasized that UNESCO should help countries as Lithuania to preserve their intellectual potential.

Brazauskas said he asked UNESCO to include the old town of Vilnius in the list of historic monuments protected by the organization and to help preserve Lithuania's cultural values.

Discussing his meeting with French leaders, Brazauskas pointed out his talks with French Prime Minister Edouard Balladur, which focused on Lithuania's integration into the European Union [EU]. "France will preside at the European Union from the beginning of next year, and much will depend on its attitude toward the Baltic states," the Lithuanian leader said.

Brazauskas said the latest changes in Lithuania were the main issue discussed at his meeting with French President Francois Mitterrand. The Lithuanian leader said he memorized Mitterrand's words at the end of the meeting: "I wish you not to conquer back territories up to the Black Sea, but to carefully find your place in the unifying Europe."

Talks With French Officials, Ulmanis

LD2810121594 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 28 Oct 94

[Report by Algirdas Usas on news conference by President Algirdas Brazauskas in Vilnius on 28 October]

[FBIS Translated Text] At the beginning, Algirdas Brazauskas described to journalists his visit to France and UNESCO, his speech delivered at UNESCO, meetings with UNESCO leaders, and meetings with French leaders—President Francois Mitterrand, Prime Minister Edouard Balladur, Senate Chairman Monory, and Minister for European Affairs Alain Lamassoure.

Algirdas Brazauskas said that during the meetings, French leaders gave a good assessment to Lithuania's foreign policy and promised to support Lithuania's aspirations to become an associate member of the European Union. As is known, France will chair this union next year.

Replying to questions by journalists on transit through Lithuania and the transit rules adopted in Lithuania, Algirdas Brazauskas said that these rules will have to be observed by all countries and control will be exerted over this, but there must an agreement on the observance of these rules and also on tariffs. The president said that during visits of high-ranking Russian officials to Lithuania there has not been any confirmation that Russia has rejected these rules. The president also denied that there is no continuity in Lithuania's foreign policy. It does exist, foreign policy trends have been explained in more than one speech by the president. However, confidentiality is essential in foreign policy, too.

Algirdas Brazauskas also announced that at a recent unofficial meeting with Latvian President Guntis Ulmanis, possibilities of a meeting of the three Baltic presidents and prime minister were discussed.

Seimas Delegation Meets Ukrainian Prime Minister

LD2910095294 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 28 Oct 94

[FBIS Translated Excerpt] Today is the last day of the official visit in Ukraine by the Lithuanian Seimas delegation.

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Led by Seimas chairman Ceslovas Jursenas, the delegation met with Ukrainian Prime Minister Vitaliy Masol. Information on the consequences of this year's drought in both states was exchanged during the meeting. The head of the Lithuanian delegation described the situation in agricultural production, industry, economy, and our country's budget. Information about the exchange rate of national currencies, principles of work by the state bank, and rules of granting benefits was exchanged.

Prime Minister Masol described principles of the planned fiscal reform and guidelines of domestic economic policy.

Then the Lithuanian delegation met lecturers and students of the institute of international relations at the Kiev State Taras Shevchenko University. [passage omitted]

Government Apologizes to Latvian President

WS3110103394 Tallinn BNS in English 1808 GMT 28 Oct 94

[FBIS Transcribed Text] Vilnius, Oct 28, BNS—Lithuania officially apologized for an incident that occurred near the Lithuanian town of Pasvalys Oct. 24, when the Latvian president's motorcade was stopped by a police patrol.

Lithuanian President Algirdas Brazauskas expressed regret over the incident in a note presented to his Latvian counterpart Guntis Ulmanis Friday [28 October]. The note was delivered by Lithuania's ambassador to Latvia, Algirdas Zvirenas.

Ulmanis also received Lithuanian Interior Minister Romasis Vaitekunas, who personally apologized for the incident, the press offices of Latvian and Lithuanian presidents said in a joint statement. Vaitekunas explained that the incident occurred through "professional incompetence" of two Pasvalys police officers, who "disobeyed an order by the interior minister concerning the passage and escorting of important persons," according to the statement.

The Lithuanian minister added that the situation was partly complicated by an accident on that section of the Pasvalys road, several hours before Ulmanis' motorcade was stopped. "Almost half the staff of the Pasvalys Police Department were involved in determining the details of the accident and in guarding the damaged cars and their contents," the press offices said.

Vaitekunas informed Ulmanis that two Pasvalys policemen have been relieved of the duties and stern disciplinary measures were taken after an internal investigation of the incident.

According to the statement, Ulmanis accepted the apology and added that the problem has been fully resolved with no influence on relations between Lithuania and Latvia.

Ulmanis' meeting with Vaitekunas was attended by Latvian Interior Minister Girts Krisftovskis, the head of Latvia's Security Service, Juris Vectirans, and Latvian ambassador to Lithuania, Alberts Sarkanis.

Military Cooperation Memorandum Signed With U.S.

LD2910140294 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 29 Oct 94

[FBIS Translated Text] Baltic News Service reports that Lithuanian National Defense Minister Linas Linkevicius and U.S. Defense Secretary William Perry signed a memorandum on military cooperation in the Pentagon on 28 October.

Linkevicius said U.S.-Lithuanian relations will become more active as a result of the memorandum. Before the signing of the document, the United States already has been rendering support to Lithuania's defense system. Within the framework of the military program, the United States organized this year a familiarization visit of Lithuanian military experts to the United States and Germany, as well as visits by German and U.S. servicemen to Lithuania. The United States has also rendered material assistance to the Lithuanian military complex in the form of satellite and navigation equipment and computers.

Nation Said To 'Always' Support NATO Growth

WS2810155694 Tallinn BNS in English 1402 GMT 28 Oct 94

[FBIS Transcribed Text] Vilnius, Oct 28, BNS—Lithuania will always approve of NATO's plans to expand and to admit new members from Central Europe, Lithuanian Deputy Foreign Minister Albinas Januska told BNS.

Sources in the U.S. Defense Department reported that the U.S. Administration will set up a working group to prepare a foundation for NATO's future expansion, although a possibility to admit new members is not discussed yet.

Reports on Thursday [27 October] said that the United States has begun consultations with its NATO allies on possible ways of accelerating the process of Central Europe's integration into the alliance.

Januska said prospects for Central European nations to join NATO were discussed at meetings with Lynn E. Davis, U.S. state undersecretary for arms control, and accompanying U.S. officials, who visited Vilnius earlier this week. Although the visit was not directly linked to consultations on NATO's possible expansion, Lithuanian representatives paid much attention to the issue, the deputy minister added.

Januska, who is in charge of coordinating Lithuania's participation in the Partnership for Peace program, said NATO is expected to approve Lithuania's individual partnership program next month.

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